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East Asia

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Daily Report

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Japan

Tokyo, Washington Enter Working-Level Chip Talks

OW1706031796 Tokyo KYODO in English
0303 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Japan and the United States began a two-day working-level session Monday [17 June] to exchange views on the bilateral microchip agreement expiring July 31.

The session precedes a vice ministerial meeting Thursday and Friday between Yoshihiro Sakamoto, vice minister for international affairs at the Ministry of International Trade and Industry (MITI), and Ira Shapiro, senior counsel at the office of the U.S. Trade Representative.

The two meetings were set when International Trade and Industry Minister Shumpei Tsukahara met with U.S. Ambassador to Japan Walter Mondale last Tuesday.

The move came rather abruptly because MITI has insisted that there would be no point in holding governmental chip talks before Japanese and U.S. chip makers work out a cooperative framework to replace the expiring accord.

Japan argues the current pact, which is designed to boost foreign presence in the Japanese chip market, should be allowed to expire in July, given growing market share of foreign chips in Japan.

It calls for monitoring the private-sector partnership initiative, saying governments have no more role to play in the sector.

The U.S., however, urges continued government involvement in the market. While agreeing to monitor the private-sector negotiations, it has also demanded government-level semiconductor talks.

The two meetings will help lay the groundwork for talks between the Japanese and U.S. chip industries, a ministry official said.

Japanese and U.S. chip makers are expected to hold a meeting later in the month.

Tokyo, Washington Remain Apart in Working-Level Chip Talks

OW1706141196 Tokyo KYODO in English
1407 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Japan and the United States remained divided on the first day Monday [17 June] of two days of working-level talks aimed at exchanging views on the bilateral

microchip agreement expiring July 31, Japanese trade sources said.

The U.S. reiterated the need for continuing to conduct surveys on the share of foreign-made semiconductors in the Japanese market, the sources said.

However, the Japanese side balked at the demand, according to the sources.

The session precedes a vice ministerial meeting Thursday and Friday between Yoshihiro Sakamoto, vice minister for international affairs at the Ministry of International Trade and Industry (MITI), and Ira Shapiro, senior counsel at the office of the U.S. trade representative.

A senior MITI official said Monday night Japan will not accept the U.S. demand for further government involvement in market share and surveys, thereby contradicting some news reports that Tokyo is considering making concessions to Washington on the market access issue.

The two meetings were set when MITI head Shumpei Tsukahara met with U.S. Ambassador to Japan Walter Mondale last Tuesday.

The move came as something of a surprise because MITI has insisted that there would be no point in holding governmental chip talks before Japanese and U.S. chip makers work out a cooperative framework to replace the expiring accord.

Japan argues that the current pact, which is designed to boost the foreign presence in the Japanese chip market, should be allowed to expire in July, given the growing market share of foreign chips in Japan.

It calls for simply monitoring private-sector initiative from now on, saying governments have no further role to play in the sector.

The U.S., however, urges continued government involvement in the market. While agreeing to monitor the private-sector negotiations, it has also demanded government-level semiconductor talks.

The two meetings will help lay the groundwork for talks between the Japanese and U.S. chip industries, a ministry official said.

Japanese and U.S. chip makers are expected to hold a meeting later in the month.

Japan: 'Sources' Say Tokyo To Study Involvement in Microchip Deal

OW1506113396 Tokyo KYODO in English
1116 GMT 15 Jun 96

[FBIS Transcribed Text] Tokyo, June 15 KYODO — Japan will study acceptable degrees of government

involvement in Japan-U.S. semiconductor trade after the expiry of the current chip trade accord July 31, government sources said Saturday [15 June].

Tokyo will assume a leading role in seeking to strike a compromise with the U.S. Government, which has been demanding that the Japanese Government involve itself in monitoring the maintenance of a sizable market share for U.S. chipmakers, the sources said.

The Ministry of International Trade and Industry (MITI) had previously been adamant in refusing the U.S. demand, saying the government involvement stipulated in the current accord are no longer acceptable.

However, the government concluded that it would go against Japanese interests to strain relations further prior to a summit meeting of the Group of Seven major industrialized nations slated for June 27-29 and a U.S. presidential election in November, they said.

In meetings with representatives from the office of the U.S. Trade Representative to start next week, MITI plans to discuss what concrete methods for involving governments in semiconductor chip trade should be adopted, they said.

However, there remains a gulf between the two sides over the degree of acceptable government involvement, making it impossible to predict whether the pair will be able to strike an early compromise, they said.

The Japanese Government wants to limit its involvement to extending aid to microchip industries, whereas the United States wants to secure a Japanese commitment to monitor the combined market share of U.S. chipmakers in Japan so that the share does not sag below a certain level, they said.

MITI has asserted that if the Electronic Industries Association of Japan (EIAJ) and the Semiconductor Industry Association (SIA) of the U.S. ask for government involvement in semiconductor chip trade following their talks, it is ready to "consider" such a role.

However, a senior MITI official acknowledged that the ministry took this position as a pretext for avoiding government-level talks with Washington.

The ministry changed its mind and decided to talk with Washington over acceptable levels of government involvement in view of the fact that U.S. Government officials expressed readiness in May to make cooperation between the two countries' chip industries the central pillar of an upcoming possible Japan-U.S. arrangement to replace the current deal, they said.

The ministry also concluded that the industries of the two nations have contributed sufficiently to the process in view of the fact that the EIAJ proposed to the U.S.

side the establishment of an international semiconductor conference, they added.

Tokyo Reacts Coolly to U.S. Complaint to WTO in Film Trade Dispute

OW1606164496 Tokyo YOMIURI SHIMBUN in Japanese 14 Jun 96 Morning Edition p 9

[FBIS Translated Text] The Ministry of International Trade and Industry (MITI) has reacted coolly to the U.S. filing of a complaint with the World Trade Organization (WTO) regarding practices in the Japanese photo film and paper market. Tomio Tsutsumi, vice international trade and industry minister, said: "Technically, the trade dispute should be settled based on the Japanese antimonopoly law. However, now that the United States has sought a solution based on WTO rules, we will deal with it under WTO rules." If Washington demands bilateral negotiations under WTO rules, the ministry intends to immediately comply with it.

Japan is considering lodging a countercomplaint with the WTO if the United States asserts in the bilateral talks that "the closed nature of the Japanese market is hampering competition."

The countercomplaint is mullied as a strategy to prevent the one-sided complaints of the United States on the Japanese market. Tokyo will rebut the U.S. complaint by bringing up problems in the U.S. market, in which Eastman Kodak Company enjoys a large share.

From the beginning, MITI has refused to discuss the trade dispute with Washington, claiming: "We would not comply with a demand for bilateral talks under a threat of imposing sanctions based on Section 301 of the U.S. Trade Act." Some MITI officials welcome Washington's complaint to the WTO, saying: "The United States has come to the stage of bilateral talks under international rules, which Japan has hoped for," (according to a senior MITI official).

However, other officials point out: "The United States has not yet abandoned the idea of implementing sanctions under Section 301."

It is believed that the United States' complaint with the WTO is more for keeping up Washington's appearances before the presidential election. Thus, Japan's excessively tough stand may force the United States to impose sanctions against Japan.

Because of this, MITI will continue to carefully watch U.S. moves.

Japan: New Chief of Fuji Rules Out Compromise With Kodak

OW1706084196 Tokyo KYODO in English
0813 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — The newly appointed president of Fuji Photo Film Co. has ruled out any compromise in its dispute with U.S. rival Eastman Kodak Co. over photo film trade between the two countries.

"There is no room for a negotiated settlement," Masayuki Muneyuki, 61, who is to lead Japan's top maker of photosensitive materials, said in a recent interview with KYODO NEWS.

"Basically, this is a competition between the two companies to provide better services to customers, but (Eastman Kodak) is trying to win it with government help," he said.

Washington last week took the issue to the World Trade Organization (WTO), accusing the Japanese Government of erecting barriers to sales of Eastman Kodak film in Japan.

Muneyuki said the company will strengthen its film production and marketing operations in the United States.

He said the company has strengthened its presence in Europe since its plant in the Netherlands started operating about a decade ago.

He said he is interested in the Asian market, where demand for new products is strong. The region also is attractive as a procurement source, he said.

Muneyuki, who hails from Fukuoka Prefecture on Japan's southernmost main island of Kyushu, is scheduled to assume the presidency June 27.

Japan: Article Discusses Film Dispute, U.S. WTO Action

OW1706063896 Tokyo SANKEI SHIMBUN
in Japanese 14 Jun 96 Morning Edition p 9

[Unattributed article: "United States Aiming at 'Realization of Talks' — Files Complaint with WTO on Film Issue; Possible Case of Argument Between Parties Concerned — Japan Not Necessarily at Advantage"]

[FBIS Translated Text] The Office of the U.S. Trade Representative (USTR) has ruled that the Japanese photographic film market is closed according to investigation based on section 301 (regarding sanctions against unfair trade practices) of the 1974 U.S. Trade Act. The USTR has announced it will file a complaint with the World Trade Organization (WTO) to settle this issue.

The Japanese Government welcomes the approach the United States has decided to take: to abandon the traditional stance of imposing unilateral sanctions against Japan and instead try to settle disputes in accordance with international rules. Basically, the Japanese Government intends to accept the U.S. challenge, but Japan cannot be said to be at an advantage, and the Ministry of Foreign Affairs (MOFA) and other relevant government ministries and agencies are taking a cautious stance.

A Change in Stance

Last May, the U.S. Eastman-Kodak Co. lodged a complaint with the USTR in connection with section 301 of the 1974 U.S. Trade Act, claiming that "the Japanese film market is dominated by Fuji Photo Film Co. and certain wholesalers, and the government played a major role in building the existing distribution system." The U.S. Government launched a probe based on section 301 in response to the Eastman-Kodak petition.

The United States is questioning Fuji Photo Film Co. regarding its "trade practices in the private sector," and the Japanese Government over "restricting large-scale retailers from opening stores in local areas via the Large-Scale Retail Store Law and building barriers against foreign entry via regulations on prizes and advertising."

There is a distinct difference between the U.S. stance toward Japan over the issue of the United States' filing a complaint with the WTO and the traditional U.S. stance in regard to trade friction over industrial products such as semiconductors and automobiles. In the past, the United States imposed sanctions if results of its investigations deemed it necessary. This time, however, the Ministry of International Trade and Industry (MITI), which is the USTR's negotiating partner, indicated at a time when the USTR was still conducting investigations that it would not come to the negotiating table. For example, MITI has issued the following comments: "We cannot accept any negotiations which presupposes sanctions against Japan"; and "Basically, it is a private-sector issue and pertains to the Antimonopoly Law."

Moreover, the WTO began operating in January 1995, and a stronger consensus emerged in the international community to seek the settlement of trade disputes in accordance with international rules. As a result, the United States has decided to let the WTO give the final ruling on the issue.

Unpredictable Elements

The United States has in effect shifted its traditional tactic of "negotiating while threatening" to a highly

transparent process of "ruling by the court." By and large, MITI, which considers abiding by international rules as the "Imperial standard," praises the United States on this point. It has indicated approval for holding talks, saying that "there is no reason to reject" (as stated by a top MITI official) talks under the auspices of the WTO. As a result, the United States, which has strongly sought holding talks with the Japanese Government, will at least be able to hold the talks. It is observed in some quarters that "that is the main purpose of taking the issue to the WTO."

In case of an ordinary suit, trade issues are settled in accordance with Article 22 of the GATT, as indicated in the flow chart [text refers to accompanying GATT-procedural flow chart] This time, however, there is a possibility that the United States may file its complaint in accordance with Article 9 of the General Agreement on Trade in Services (GATS), which was newly adopted when the WTO came into being. In this case, a panel [as noted in flow chart] will not be set up, leaving it up to the parties concerned to hold thorough debate on the issue and settle it between themselves.

Because this is a "complaint-filing procedure which has never been initiated since the establishment of the WTO" (according to a MITI official), what will happen is completely unpredictable should the talks face rough sailing. Some government officials express concern, saying: "If we get down to the point, this is a problem that concerns the distribution and services structure in Japan, but the WTO itself is unfamiliar with handling this kind of problem."

Commenting on the latest suit filed with the WTO by the United States, officials at MOFA's North American Affairs Bureau say: "We will examine the details very closely and promptly hold consultations with MITI and the Fair Trade Commission to decide what we are going to do."

Japan: Editorial Assesses Kodak-Fuji Market Access Dispute

OW1706040496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Jun 96 Morning Edition p 2

[Editorial: Debates at WTO Urged]

[FBIS Translated Text] Regarding the bilateral issue between Japan and the United States over the photo film market, the U.S. Government recently filed a complaint with the World Trade Organization (WTO). The United States says that there are unfair business practices in the Japanese photo film market. Receiving a complaint from Kodak, the U.S. Trade Representative concluded that the Japanese market is closed. However, now that the United States brought the case to the WTO, one-sided

sanctions against Japan based on Section 301 of the U.S. Trade Act will be avoided for the time being and the film issue will be dealt with openly under the rules for settlement of international trade disputes. Due to excessive attempts to forcefully settle issues, including the semiconductor issue, through bilateral consultations under the leadership of the United States, rules for settlement of international trade disputes tend to be distorted. Therefore, we welcome discussions at the WTO.

Nevertheless, there are many points we cannot accept in the U.S. claims. Originally, competition between Kodak and Fuji over market share was the starting point of this dispute. It began with the fact that Fuji enjoys a roughly 70 percent share of the Japanese film market while Kodak, with a 70 percent of the U.S. market, has only a 10 percent share of the Japanese market.

But this is not sufficient to conclude unconditionally that the Japanese market is unfair to foreign companies. Fuji's market share in the United States is about 10 percent. It is not true that a golfer, who is invincible at home, can win all the times in international competitions too.

Needless to say, it is not right to prevent foreign players from taking part in a contest or install a device on the green to do some tricks to foreign players. Thorough discussions should be held at the Fair Trade Commission to examine if there are unfair business practices blocking foreign access.

Kodak claims that its market share in Japan is being kept low by regulations, including the Large-Scale Retail Store Law and the Act for the Prevention of Unreasonable Premiums and Misrepresentation Concerning Products and Services. To us, it sounds like an argument designed to disseminate the issue at the starting point.

The structure of the domestic film market is changing rapidly. Disposable cameras are widely used and the role of independent businesses, including convenience stores and mini-laboratories who are neither affiliated to major film makers nor controlled by large retail stores, is increasingly important in the distribution system. The first thing Kodak should do is to develop products, which are attractive to consumers, and offer convenient service rather than sticking to a dispute.

Japan: Change in U.S. Stand on Trade Disputes Discussed

OW1706135396 Tokyo SHUKAN DAIYAMONDO in Japanese 22 Jun p 15

[FBIS Translated Text] The attitude of the United States toward Japan has drastically changed. That is because,

with the presidential election approaching, the Clinton administration now thinks it wiser to impress upon the public that the administration is getting along with Japan rather than to engage in Japan-bashing over trade disputes.

In Washington on 9 May, government officials, business executives, and researchers from Japan, the United States and South Korea gathered at a semiconductor seminar (held jointly by the U.S. Brookings Institute and Nomura Research Institute). The major topic at the seminar was whether or not to maintain the Japan-U.S. semiconductor accord, and it involved the Japanese and American participants in a heated debate. Behind this heatedness, however, there was some consideration.

Initially, the seminar was scheduled to be held on 18 April. It was postponed for three weeks because Clinton's Japan visit was scheduled at about the same time. What is more interesting here is that it was the United States that offered to make the change. The United States thought it would have a negative impact on the president's visit if criticism erupted at a seminar sponsored by a radical organization such as the Brookings Institute.

Under the Bush administration, the country openly pressured Japan when it sent its president accompanied by top U.S. automaking officials. Compared to that, this act of consideration represented a great change.

Looking back, it is obvious the last election was complicated by the Japan-U.S. auto accord, which was concluded before the summit last summer.

At the time, Democrat Richard Gephardt from Missouri, the heartland of the auto parts industry, indicated his intention to run in the presidential election. A sudden conclusion to the auto parts talks by conceding to Japan's demand for the abolition of numerical targets was also aimed at containing moves among hardline anti-Japan politicians.

The Clinton administration now thinks that if it is to win the election, it is better to cooperate with Japan than to bash it. In future trade negotiations, it is essential that Japan keeps such U.S. changes in mind.

Japan: MSDF Cites Human Error for Shooting Down U.S. Plane

OW1706024096 Tokyo KYODO in English
0209 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Investigators blame human error for the shooting down of a U.S. military jet by a Japanese destroyer in the Pacific on June 4, Defense Agency sources said Monday [17 June].

The plane from the aircraft carrier Independence was towing a target on a 5-kilometer-long cable to allow gunners using 20- millimeter guns on the Japanese Maritime Self-Defense Force (MSDF) destroyer, the Yuugiri, to carry out target practice.

But a manually fired shell from the 3,500-ton Yuugiri hit the plane, an A-6e intruder. The plane's two crewmen ejected safely before being rescued.

The sources said the MSDF's Maritime Staff Office has concluded that those in charge of the shooting drill did not wait for the required radio message from the plane indicating it was safe to fire at the target and did not confirm with their own eyes whether the plane had passed the vessel.

The sources said top-ranking agency staff are shocked that basic procedure was ignored during the drill which was part of a larger multilateral military exercise called Rimpac, held biennially in the Pacific under the sponsorship of the U.S. military.

Japan, the United States, Australia, Canada, South Korea and Chile took part in this year's exercise.

The shooting drill was supposed to have been conducted according to procedure laid down by the U.S. military under which the gun was to have been fired manually instead of automatically only after receipt of a radio message from the plane that it was out of range of the gun.

In actual fact, the plane had only just entered the gun's range when it was fired at, the sources said.

Asked why the order to fire was given prematurely, they said investigators say they were told the U.S. plane towing the target was slower than planes the MSDF normally uses and that those in charge of the drill were possibly not fully used to the procedure.

The sources said many MSDF personnel are not used to live round target practice under such circumstances since MSDF drills more recently involve merely following targets.

The MSDF will shortly announce its findings and discipline those responsible, the sources said.

The sources also said the incident has given rise to criticism within the MSDF that its training methods are outdated and that promotions are given before personnel are fully conversant with newly introduced arms technology.

Japan: 'Sources' Say Tokyo Studying Joint Arms Production With U.S.

OW1606084496 Tokyo KYODO in English
0817 GMT 16 Jun 96

[FBIS Transcribed Text] Tokyo, June 16 KYODO — In a move which could force Japan to alter its ban on weapons exports, Japan has launched a study into the possibility of joint production and procurement of arms and arms parts with the United States, government sources said Sunday [16 June].

The study, which is aimed at cutting procurement costs, comes in line with an agreement reached at the Japan-U.S. Summit in Tokyo last April to strengthen bilateral defense cooperation and promote technical exchanges, the sources said.

But joint production and procurement could involve exports of military goods to the U.S., making it likely to be the subject of heated debate within the ruling coalition over Japan's ban on arms exports.

The pacifist Social Democratic Party, one of the three parties making up the coalition, has opposed any relaxation of the export ban.

According to the government sources, emergency evacuation equipment for the F-15 jet fighter is the likely first candidate for the joint project because Japan's Self-Defense Forces (SDF) and the U.S. military have agreed on the need for such equipment tailored to the size of Japanese pilots and U.S. female pilots.

The current emergency evacuation equipment for the F-15 is intended for U.S. male pilots, making it not very suitable for the generally smaller Japanese pilots and U.S. female pilots.

There have been some accidents, such as neck injuries, involving such equipment among Japanese pilots due to the size of the system.

Japan and the U.S. have jointly developed Japan's next support fighter, the F-2, for the SDF alone, but the F-2 proved to be the world's most expensive fighter — valued at some 12 billion yen — because of the limited number of F-2s to be procured by the SDF.

The sources said joint production and procurement with the U.S. could bring down the cost of defense equipment procurements, but they acknowledge the need for a review of the export ban to allow arms exports to the U.S.

The ban dates back to 1967, when then Prime Minister Eisaku Sato unveiled a decision to prohibit arms exports to communist countries, nations subject to a UN ban on arms exports and warring nations.

In 1976, then Prime Minister Takeo Miki expanded the ban to make other countries subject to it.

But the Japanese Government relaxed the ban in January 1983 to make exports of sample goods and technology for the development of the F-2 to the U.S. exempt from the ban.

Japan: 'Several Thousand' Protest Over Possible U.S. Exercise Site

OW1606062596 Tokyo KYODO in English
0542 GMT 16 Jun 96

[FBIS Transcribed Text] Kofu, Japan, June 16 KYODO — Several thousand people gathered at a Self-Defense Forces firing range near Mount Fuji on Sunday [15 June] to protest its nomination as a possible site for live-fire drills which U.S. military forces in Japan currently hold in Okinawa Prefecture.

Some 3,800 people attended the meeting called by a residents' group which has right of access to the property to voice their opposition to U.S. military use of the Kitafuji Firing Range in Yamanashi Prefecture on the northern side of Mount Fuji.

At the meeting a declaration was read out stating that the participants would fight the proposal and that they want the area to revert to peaceful use.

The U.S. military has agreed to relocate its artillery exercises from the Okinawa firing range because they involve the firing of live ammunition across a prefectural highway which requires that a 3.7-kilometer stretch of the highway be closed during the drills.

The range is one of nine Ground Self-Defense Force sites suggested as alternatives to the Okinawa one.

The U.S. military will study by the end of June all nine sites cited for possible future use. They are located in Hokkaido, Miyagi, Fukushima, Yamanashi, Shizuoka, Niigata, Shiga and Oita Prefectures.

Tokyo and Washington plan to officially decide on the transfer this summer following their agreement in April to reduce the number of drills and U.S. bases in Okinawa, Japan's southernmost prefecture.

Okinawa Prefecture, which makes up less than 1 percent of Japan's total land area, is home to about 75 percent of U.S. military facilities in Japan in terms of land area and about half of the U.S. troops stationed in Japan under bilateral security arrangements.

Japan: DFAA Chief Notes Need for New Law on USFJ Land Use

OW1506135796 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 15 Jun 96 Morning Edition p 2

[FBIS Translated Text] Speaking at a session of the subcommittee on Okinawa base issues under the National Defense Division of the Liberal Democratic Party, Director General Morodomi of the Defense Facilities Administration Agency [DFAA] referred to a current special law permitting the U.S. Forces in Japan to use land and stipulating procedures for forced extension of land lease contracts. He pointed out that "the current law should be called into question if there is no cooperation from local governments," thus indicating his view that the enactment of new legislation to quicken the procedures is indispensable.

Japan: Kajiyama Discusses Security Ties to U.S., Okinawa Issue

OW1606135796

[FBIS Report] Tokyo Asahi Newstar Television Network in Japanese at 0110 GMT on 16 June, in its regularly scheduled "Sunday Project" talk show, carries a 40-minute interview with Chief Cabinet Secretary Seiroku Kajiyama by freelance commentator Soichiro Tahara. Reception is good.

After the introduction, Kajiyama describes his perception of Japan-U.S. security ties, saying: "Security ties between Japan and the United States are extremely important. Also, the two nations have firm bilateral economic cooperation. Japan has been under the protection of the United States, and the security arrangement between the two nations has been one-sided. However, it no longer has to be one-sided. In fact, the Japan-U.S. security treaty is undergoing qualitative changes. The United States maintains its military dominance in Europe and Asia, stationing 100,000 troops in each region. The United States has deep interest in the economic and political affairs of Asia, and U.S. trade with Asia is much greater than that with Europe. Therefore, the United States desires to maintain its influence in Asia, and Asia is wary of arms expansion by Japan and some other countries. Southeast Asian countries have great expectations for the deterrent power of the U.S. military presence in the Far East. In this sense, we should offer logistic support, water supply, and medical services, for example, so that U.S. forces can smoothly set up their military presence."

Asked about the future direction of the bases issue, Kajiyama states: "Whether Japan can smoothly offer facilities for U.S. forces, including those in Okinawa, is a question at the very foundation of the bilateral security

arrangement. I say the Japan-U.S. security treaty would lose substance if Japan cannot provide good military facilities.... I think the top priority issue for Japan's politics today is to seek a congruence of Japan's interest, or logic, and Okinawa's suffering."

Regarding expected disputes over extension of land lease contracts with some 3,000 anti-base landlords in Okinawa, Kajiyama says: "First, we should think hard whether it is possible to further consolidate and reduce U.S. bases in order to obtain the understanding of the 3,000 individuals. Second, we may be able to comply with Okinawan demand for economic development. Bargaining with material benefits may not be a very respectable offer, but Okinawa is plagued by low income and high unemployment. The government has responsibility for improving Okinawa's living standards. These are closely related to the base issue." Kajiyama then hints at the possibility of special legislation to accelerate land expropriation procedures, saying: "The Foreign Ministry and the Defense Facilities Administration Agency will try their best to persuade the landlords. If it does not work, Japan, as a law-governed nation, must eliminate in advance the possibility of illegal occupation. To fulfill the responsibility of the administrative branch, the government should try its best to obtain the people's understanding and draw a line between public and private interests with an eye on the welfare of all of Okinawa." He adds: "We are contacting the 3,000 people. However, if the process should take years without any progress from the present circumstances, we will have to take some kind of action."

Japan: SDP Chief Views Okinawa Base Lease Legislation

OW1606140296 Naha OKINAWA TIMES in Japanese
15 Jun 96 Morning Edition p 1

[FBIS Translated Text] Speaking at the party's 14 June panel session on measures to deal with an election for proportional representation, Kanju Sato, secretary general of the Social Democratic Party (SDP), said that the issue of forced extension of land lease contracts for use by the U.S. forces in Okinawa will be a major theme for an extraordinary Diet session in the autumn. He then stressed: "We are not in a political situation in which we can work out new legislation (to quicken procedures for forced extension of land lease contracts). We must come up with a counterproposal."

Although new legislation is being studied by the government, the SDP believes that "it is difficult to win the understanding of the Okinawa people" (according to a senior SDP member). In this way, Sato's remarks reflect the party's stand of working out its own proposal in terms of demonstrating its position.

Japan: Defense Affairs Expert on Security Alliance With U.S.

OW1706013696 Tokyo ASAHI SHIMBUN
in Japanese 14 Jun 95 Morning Edition p 7

[Interview with Akio Watanabe, professor at Aoyama-gakuin University's Department of International Politics and Economics, by Yuri Oiwa; place and date not given]

[FBIS Translated Text] [Oiwa] It has been said that the "Higuchi Report," in the writing of which you have been instrumental, aroused the United States into coming up with the Defense Department's Report on East Asian Strategy in February 1995 and the "redefining of the Japanese-U.S. security arrangement" in the form of a joint declaration last April.

[Watanabe] We happened to throw the ball [in the form of the "Higuchi Report"] at the United States just when the United States was preparing to review its relationship with Japan in the post-Cold War era that involved economic friction and other problems. The ball came back to us in the form of the "Nye Report," and Japan drew up the new Defense Program Outline, based on the two reports. This was followed by the joint declaration on the bilateral security alliance. It seems that things began turning out the way we planned.

The joint declaration mentions "redefinition" of the bilateral security arrangement, but in the "Higuchi Report," we used the term, "reinforcement." Foreign Ministry sources and other advisers pointed out that "using the term redefinition would provoke public reaction since it would mean changing the nature of the security arrangement." As for myself, however, I kept "redefinition" in my mind.

It has traditionally been assumed that the Japanese-U.S. security arrangement is necessary for the defense of Japan, and beyond that, nobody cared. If we do not think about this as our own problem, the United States would probably feel skeptical about protecting Japan. For the United States, it may be a matter of extending the "Japanese-U.S. security arrangement," but the Japanese people will have to change their traditional way of thinking. That is why we are talking about "redefinition."

Take the Same Attitude

[Oiwa] Why is it necessary to do this when no signs of threat seem to exist in or around Japan at the moment?

[Watanabe] When the former Soviet Union posed a threat, nothing was expected of Japan. All Japan had to do was make sure that military bases were provided and the Self Defense Forces (SDF) stayed home to guard the country. Things have changed, and the United States

finds it hard to maintain its capability and will power to defend Japan. Therefore, Japan must show that it is willing to join hands with the United States to respond to diverse situations. If Japan fails to assure the United States that such a relationship will be a lasting one, the United States would care less even if Japan were to come under attack.

[Oiwa] Does that mean that Japan should tread into the issue of the right of collective self defense?

[Watanabe] Basically, the Japanese-U.S. security arrangement is designed around the right of collective self defense. Japan is merely telling itself that it would exercise the right of individual self defense if it were to come under attack. The right of collective self defense is a matter of give-and-take; it is in no way a one-way affair in which one side continuously receives help. Japan's position is that if the SDF were to help U.S. forces in Japan, that would be tantamount to Japan's helping the United States, and thus, Japan would be on equal footing with the United States. However, that logic will not hold. Japan is putting up such an argument merely because that logic would not hold up politically due to the traditional Japanese debate over Article IX of the Constitution.

[Oiwa] Does that mean that the traditional interpretation that Japan "possesses the right of collective self defense but will not exercise it due to constitutional restraint" is illogical, and that it is a matter of political decision whether to exercise that right?

[Watanabe] Yes, that is right. How Japan should exercise its rights is always a matter of political decision. On the other hand, it does not mean that Japan has to exercise the right of collective self defense because it possesses that right. We should stop arguing about exercising the right and instead determine what is necessary and what is effective. Japanese leaders do not want to make political decisions, and they do not want to use their heads; that is why the right of collective self defense is considered "unconstitutional," and they have put a "stop" on it.

[Oiwa] The reinforcement of defense cooperation in such forms as the "Guideline for Japanese-U.S. Defense Cooperation" seems to be an "exchange" for the reduction of Okinawa's military bases. Was the situation so crucial at the time?

[Watanabe] When we were holding debates on our "report," there were opinions that this would be necessary. However, someone who was actually involved in the work has said that the Acquisition and Cross-Servicing Agreement (ACSA) was drawn up in about three weeks. It seems that orders were abruptly sent down from the

top political positions because of the problems related to military bases on Okinawa. I feel that political maneuverings in the last rounds probably served as the energy that helped wind up a task that had burdened us for long.

Japan, the United States, and the PRC Will Form the Nucleus

[Oiwa] Attention has been drawn to the fact that in the "report," the concept of "multilateral security cooperation" takes precedence over the bilateral security arrangement between Japan and the United States. It has been reported that this caused alarm among pro-Japanese officials in the United States.

[Watanabe] It does not matter which comes first. When we first started off our work with defining the post-Cold War international situation, the concept of multilateral security cooperation emerged. We then discussed how we can give meaning to the Japanese-U.S. security arrangement and what would be expected of Japan in terms of defense capability. I felt there was nothing unusual about it since it was a logical argument.

However, after we wrote the report to a certain extent, it was pointed out that "the United States may misunderstand that Japan is planning to abandon the bilateral security arrangement and move on to UN-oriented or localized security arrangements." What worried us in writing the report was the problem between multilateral security cooperation and the Japanese Constitution.

[Oiwa] What is your view on multilateral security cooperation in the Asia-Pacific region?

[Watanabe] The main purpose of such arrangements will probably be to foster mutual trust to help shape the overall atmosphere of the region. A multilateral mechanism governs European countries when they want to hold dialogue or decide to take concrete action. With Asian countries, the mechanism may outwardly appear the same, but the internal workings are different. Their aim will be to build a cooperative security framework. If some kind of trouble should develop, Asian countries cannot be expected to adopt a resolution and jointly deploy military forces. Each country should possess their own defense capability in preparation for contingencies. In the case of Japan, a framework is necessary in which Japan can work along with the United States.

[Oiwa] Do you feel that a multilateral framework in Asia may eventually turn into one like in Europe?

[Watanabe] That is something that will gradually happen over time. If that happens, the PRC will probably be at the nucleus of the framework. This will only work

if the PRC, Japan, and the United States join hands and play the central role to pull other countries together. That is similar to the case in Europe in which France, Germany, and the UK have to cooperate to make things work. It will not work if Japan and the PRC tried to do the job themselves without the United States. Leaving out the United States would result in the PRC's gaining military strength. In that case, Japan would have to become a considerably strong military super power to balance things out. That would be undesirable to the PRC and other Asian countries.

Cabinet Legislation Bureau Shows Disapproval

[Oiwa] What is the problem related to the Constitution that you said you were worried about in writing the "report?"

[Watanabe] What Article IX of the Constitution and the UN Charter are trying to say is consistent. There are no grounds to arguing that Japan is in a special position due to Article IX. Therefore, we wrote in our report an expression indicating there is nothing special about Article IX, although the expression was considerably watered down in the end. The Cabinet Legislation Bureau claimed that the expression in the report "differs from the official government view." If we were to tread into this Constitution-related problem, regardless of what kind of administration came to power, that administration would probably say: "Anything but that, please." Since it would be useless to submit a report which the government will not accept, we tried to move forward as much as possible on the basis of the Constitution.

Japan: Potential MCAS Futenma Relocation Sites Narrowed Down

OW1706033096 Naha RYUKYU SHIMPO
in Japanese 16 Jun 96 Morning Edition p 1

[FBIS Translated Text] On 15 June, the government narrowed down possible sites for a heliport, which will be constructed in conjunction with the return of Marine Corps Air Station [MCAS] Futenma, to Kadena Munitions Storage Area [MSA] and Camp Hansen. It plans to begin work for the relocation of MCAS Futenma after the U.S. military presents its relocation plan. The U.S. military, however, has delayed the submission of the plan because of possible environmental problems at candidate sites resulting from the relocation of the base. The government once considered moving functions of MCAS Futenma to Kadena Air Base [KAB] but found it "difficult" to do so because it would greatly increase the number of take-offs and landings at KAB.

The government initially picked three areas, including Camp Schwab, as possible sites for the relocation. It has now narrowed them down to two.

In cases of emergency, the MSA is geographically in a convenient location as it sits next to KAB. However, there are problems to be solved regarding geographical relations with KAB's aircraft approach path and environmental matters.

The foot of the Onna mountains, where Camp Hansen is located, is also another candidate site.

The U.S. forces are supposed to decide on a site for relocation after examining candidate places in view of military operations. Although it was originally proposed that a new runway, which will also be constructed, should be 1,500-meter long, the length would change depending on sites. An actual runway is expected to be much shorter than the proposed one.

Meanwhile, at the request of the Prime Minister's Official Residence the Defense Agency [DA] studied the possibility of moving a heliport to KAB to make a better showing in the return of MCAS Futenma. However, it abandoned the idea of relocating MCAS Futenma to KAB because simple calculations showed that it would make KAB the "world's busiest" airport in terms of the number of take-offs and landings, surpassing Heathrow Airport in London. The agency also concluded that scattering functions of MCAS Futenma to several other bases was "inappropriate" in view of military operations.

However, Social Democratic Party (SDP) Secretary General Kanju Sato demanded that the DA study the possibility of consolidating MCAS Futenma with KAB when he met with DA Director General Hideo Usui on 14 June. The SDP has voiced opposition to the construction of a heliport in the MSA.

Japan: Assembly Panel Votes for Okinawa Base Reduction Poll

*OW1706042596 Tokyo KYODO in English
0353 GMT 17 Jun 96*

[FBIS Transcribed Text] Naha, Japan, June 17 KYODO — The Okinawa prefectural assembly's ad hoc committee on reducing U.S. military bases approved Monday [17 June] a proposal to hold a referendum to reduce the bases.

Six of the 11-member panel voted on a bill for a special ordinance for the referendum, proposed by the Okinawa branch of the Japanese Trade Union Confederation (Rengo), Japan's largest labor organization.

The current 48-member assembly has until June 24, when its term ends, in which to vote on the matter,

and is expected to hold an extraordinary session June 21 to hold the vote.

Rengo representatives submitted to Okinawa Gov. Masahito Ota in May a petition backed by 34,500 signatures along with the draft bill for the prefecture-wide vote.

Under the local autonomy law, 2 percent of all voters in a city or prefecture must give their signatures to pave the way for a referendum, more than 18,000 in the case of Okinawa.

The proposed referendum would ask the Okinawa people whether they want to consolidate and reduce U.S. military bases in the island prefecture and whether they want a review of the U.S.-Japan status-of-forces agreement, which defines the status of the U.S. military in Japan.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa Prefecture, although the island prefecture makes up only 0.6 percent of Japan's total land area.

Under an agreement reached in April between Japan and the United States, the U.S. military will vacate some 20 percent of the land it now occupies in Okinawa.

Japan: Rwanda Supports Tokyo in UN Security Council Election

*OW1406135896 Tokyo KYODO in English
1340 GMT 14 Jun 96*

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Rwandan President Pasteur Bizimungu on Friday [14 June] threw support behind Japan's bid to win a nonpermanent seat on the UN Security Council in this fall's election, a Foreign Ministry official said.

In a meeting with Prime Minister Ryutaro Hashimoto, the president reasoned that he believes Japan should play a greater role in international society, the official told reporters.

Bizimungu, who arrived in Japan earlier Friday for a five-day visit, expressed thanks for the 1994 dispatch of Japanese troops for humanitarian assistance to Rwandan refugees in Zaire, the official said.

While welcoming Rwanda's moves toward national reconciliation, Hashimoto promised that Tokyo will send a fact-finding mission to Rwanda in early July to look into the possibility of bilateral aid centering on grants and technological assistance.

Japan has frozen its bilateral economic assistance to Rwanda since fiscal 1994 against the backdrop of the

worsening of political and social conditions in the country.

Bizimungu conferred with Foreign Minister Yukihiko Ikeda later Friday on the current situation in Rwanda and Japan's role in helping the country recover from civil war.

Japan: Government Adds New Duties for SDF Members in Golan Heights

OW1706123396 Tokyo MAINICHI SHIMBUN
in Japanese 15 Jun 96 Morning Edition p 2

[FBIS Translated Text] On 14 June, the government decided to add "replenishment and provision of meals" work to duties for the Self-Defense Forces [SDF] members assigned to command staff at the United Nations Disengagement Observer Force' (UNDOF) headquarters on the Golan Heights. After obtaining an agreement from the ruling coalition parties, the cabinet plans to formally approve the change in the SDF detachment plan as early as 25 June. The revised plan includes adding the new duties and extending the detachment period for six months longer until February 1997.

Japan: Constitution Change Needed To Defend Nation

OW140613096 Tokyo SAPIO in Japanese 12 Jun 96
pp 43-45

[Article by Nobuhiko Ochiai: "Unless We Change the Japanese Constitution Now, We Will Face the Risk of 'Hollow and Expanded Interpretation'"]

[FBIS Translated Text] Today, there is an issue that the Japanese mass media is hardly touching on, despite the fact that the major overseas media, led by CNN, are actively reporting on it. It is the Bosnian situation.

Since the comprehensive peace accord (Dayton Accord) was concluded last November, major Japanese newspapers have been providing only minor coverage of the situation, as if the problem had been largely solved. However, on the ground, small scale killings are frequently going on. Just the other day, Muslims, who tried to visit gravesites where they previously lived, and Serbians — currently controlling that area — who tried to keep the Muslims away, clashed. Several Muslims were killed or injured by gunfire. Furthermore, in the Kosovo Autonomous Province in southern Serbia, antagonism is growing stronger between the ethnic Albanian residents, the controlled, who make up 90 percent of the total population there, and the controlling Serbians, and it is a touch-and-go situation.

What we must remember here is that last year's peace accord was imposed by the United States. The hatred

among the warring Serbians, Croatians, and Muslims has not changed at all from the past. The United States, which wanted to demonstrate that its "power as world policeman is still here and sound," simply chose Bosnian peace as a good platform for that demonstration.

This meddling by the United States, which likes to demonstrate its influence, is having a reverse effect on the ethnic hatreds of these three groups. The quarters in Dayton for the representatives of the three factions (Bosnia, Serbia, and Croatia) were located adjacent to a field on Wright Patterson Air Force Base. On one holiday, when the meeting had deadlocked, they found soccer balls in the middle of the field. They had been placed there by the Americans. It was probably meant to mean that "you should play soccer and be good friends." However, the three groups' representatives strongly resented that they were being treated as children. Did the Americans think to end the dispute, which has created over 250 thousand deaths and over 2 million refugees, through such methods as would be used to mediate a children's fight?

When the U.S. forces withdrawal starts, which is scheduled for this coming 20 December, the troops from European and other countries will have to go along. However, the possibility that peace will have been achieved by then is next to none. Sadly, I cannot help but think that the Balkan peninsula, its shackles taken off, after six months will revert to being a place of massacre.

"North Korea Emergency" Plan Is Unprecedented

The Balkan peninsula, Chechnya, Somalia, Rwanda, and the Middle East ... it is unprecedented in history that so many killings involving civilian populations are going on in the world [at the same time]. As I have pointed out many times, this is a result of the fact that the balance of power that existed during the Cold War era has crumbled, and the great "swell" of a large wave is shaking the world. To put it another way, if we clearly grasp what this "swell" is, we should be able to see through to the future world.

Then, where is this "swell," which began with the collapse of the Berlin Wall in 1989, heading? It is increasing its radius, and is certainly moving eastward across the Eurasian continent. Its final destination will be the Far East. This "swell" is about to swallow up Japan.

It goes without saying that today the East Asian region, which surrounds Japan, is one of the world's "underboxes." The incendiary will be North Korea or

China. North Korea, especially, is the greatest threat to Japan.

North Korea skillfully approaches Japan and obtains rice aid. But, at the same time, it is clear from the testimony of refugees, especially military personnel, that it regards Japan with hatred as its enemy. One may think that the greatest enemy for North Korea is South Korea, but emotionally, the South Koreans are still their brethren. Instead, the hatred toward Japan, which once trampled upon the Korean peninsula, is greater than what we Japanese imagine. In fact, among the North Korean forces, training has been actively going on with Japanese Self-Defense Forces (SDF) and U.S. Forces bases in Japan as targets. Even such an incredible plan as the following is said to have been made: [North Korean] special forces would spray poison gas on SDF installations and the U.S. Forces' Yokota Air Base; kill and wound the personnel; then occupy the bases, capture their weapons, and attack Japan from the inside.

Moreover, the greatest threat posed by North Korea is its missiles. The Nodong missile, which North Korea is said to possess, has a range of about 1,000 kilometers. This is a distance that extends over the eastern portion of Hokkaido, most of Honshu including the capital and Kinki areas, Kyushu, and Shikoku. And there even was testimony from [North Korean] military personnel, who sought asylum in South Korea last year, that North Korea's greatest purpose in developing the missile was to be able to attack U.S. Forces bases in Japan.

What I want to add here is the refugee problem. For the past several years, landings by Chinese stowaways have been discovered frequently in Okinawa, Kyushu, Yamaguchi Prefecture, and so on. The majority of these cases involved a maximum of 50-60 people per incident, stowed away in freighters or arriving in small fishing boats. However, if an "emergency" on the Korean peninsula or in China were to become a reality, there would be no comparing the [large] number of refugees who would flow in with the current number. Moreover, it is easy to assume that they would come with weapons that they had obtained during the chaotic situation.

Would the "Human Nature Is Inherently Good Theory" Be Applicable to North Korea?

Such a concrete crisis is facing our country. Yet there is hardly any discussion today about countermeasures to deal with such a crisis. When we consider a system for dealing with the emergency, it will inevitably come to the issue of interpretation of Article 9 of the Constitution. This article states that we renounce war, deny our war potential, and do not recognize the right of belligerency. And whether or not to change the Constitution will itself be the issue. The politicians usually

want to avoid such discussions on the Constitution that will not be beneficial (will not lead to votes).

There is a factor in the background: the so-called "progressive" media led by the ASAHI SHIMBUN and cultured people have been inflaming the Japanese people along the lines that "the argument to change the Constitution should not be permitted." According to them, even to talk about [changing] the Constitution and to discuss an "emergency" are taboo, and theirs is the only "legitimate" position. Perhaps because of this, there are also many politicians who are cowards. (Naturally, politicians themselves are a problem when they are afraid of the mass media and shrink away). Such progressive media hold to the belief that the Constitution "has protected the past 50 years of peace. Because Japan renounced war in accordance with the Constitution, we have not had war for 50 years." It is a ridiculous illusion.

It is an extremely naive argument, similar to telling a burglar, "I will not resist, so do not rob me." Do they really believe that the "theory that man's innate nature is good" — if one side does not initiate an attack, the other will not attack — applies to every country (especially to North Korea)?

The last 50 years of peace was not due to the "peace Constitution." No one could touch us simply because Japan was under the U.S. nuclear umbrella. Japan has been refusing recent U.S. proposals that Japan cooperate in responding to an emergency in the Korean peninsula or Taiwan Strait using the excuse that "it falls into the category of collective self-defense, which is prohibited by the Constitution." This was a totally arrogant "mistaken idea."

The TMD (theater missile defense) concept is a pending project. This is to develop a system to detect a ballistic missile using satellites and shoot it down with defensive missiles. The United States is leading this effort and is calling on Japan to participate. It is a project for which Japan, with over two thirds of its land under threat of North Korean Nodong missiles, would jump at, and the necessary budget has been in place since last year. However, because there are politicians who regard it as unconstitutional, the plan is said to be faltering. A discussion to deal with the approaching crisis is prevented by the ghost called the "Constitution."

Constitution Is Protected and Country Goes To Ruin

I said "ghost," but I personally believe that the time has come to reexamine the current Constitution. During the 50 years since the war, our life has changed. And the world situation surrounding our country has also

drastically changed. Yet the Constitution, which is the basis for Japanese life, has not changed at all. This is not natural.

For example, if the security treaty structure with the United States is necessary to protect our country's peace at the present juncture, should we not change the Constitution so it would permit us to form a cooperative structure with the United States, at least in the military aspect. Rather than a response that would expand and [liberally] interpret the current Constitution and permit us the right of collective self-defense, it would be better to clearly define the area of military activity in the Constitution and establish the principle of civilian control. This would prevent recklessness in the military field about which "progressive" people worry. The posture of getting by for the time-being through repeating an expanded interpretation [of the Constitution] will run the risk of making the Constitution totally mutilated and of losing all restraint.

The Japanese "progressive" media and opinion leaders talk about their ideals using terms that appeal to the masses such as "peace" and "democracy," but when they encounter events that are outside such ideals, they consider them taboo and tune out.

The other day there was an incident in which the authorities checked the home of Etsuo Ono, who was arrested when he attempted to rape a young girl in Tokyo's Adachi Ward, and found a woman's head. This suspect, Ono, had gained fame as "a hero falsely accused": He was arrested on suspicion of murdering an office girl in 1974, but won an innocent verdict in a 1991 reversal. Almost all the human rights advocates and defense attorneys who cried out for "human rights" and criticized the police investigation are said to be keeping their silence this time. They, who ultimately had let the murderer go free, should have made some statement. Or does it mean that they have no interest in the victim's "human rights"?

Just as the "human rights" for attorneys who advocate human rights are somewhat fraudulent, the "peace" and "democracy" of the "progressive" media and opinion leaders are unrealistic and hollow. I believe that we should discuss and get ready for an emergency and build up a system for such an emergency. This is the right stance in the quest for "peace" and for the protection of "democracy."

As I stated earlier, the "swell" that is shaking the world is approaching our door. To eliminate taboos and construct an emergency structure in the Far East as soon as possible is necessary. It will be a shame if we "protect the Constitution and ruin the country."

Tokyo Said To Support Ban on Mines at G-7 Summit

OW1506081396 Tokyo KYODO in English
0750 GMT 15 Jun 96

[FBIS Transcribed Text] Tokyo, June 15 KYODO — Prime Minister Ryutaro Hashimoto will express Japan's support for an international ban on land mines at the Lyons summit of seven industrialized democracies, government sources said Saturday [15 June].

The sources said Hashimoto will also pledge Japan's financial and technological support to UN-led operations to remove land mines already laid out around the world.

They said annually more than 20,000 citizens are killed or wounded by more than 100 million land mines around the world.

The sources said the early conclusion of a comprehensive nuclear test ban treaty and regulations on land mines will be major subjects of discussion at the summit.

The three-day summit opening June 27 will bring together leaders of the group of seven nations — Britain, Canada, France, Germany, Italy, Japan and the United States.

A ban on land mines is now a worldwide movement and it is natural for Japan to support it, Foreign Ministry officials said.

The sources said Hashimoto's decision is in line with a government plan to ratify an international treaty providing for stricter restrictions on the use of land mines at the regular session of the Diet next year.

The Defense Agency, which regards mines as an effective weapon for national defense, has launched a study on qualitative changes of defensive weapons, they said.

A statement issued after last year's summit in Halifax, Canada, called for multinational measures to restrict the use of mines.

Japan: G-7 Summit To View Economic Interdependence

OW1506154896 Tokyo KYODO in English
1454 GMT 15 Jun 96

[FBIS Transcribed Text] Tokyo, June 15 KYODO — The economic declaration of the summit meeting of the Group of Seven (G-7) industrial nations in Lyons, France, will call for careful observation of effects of the growing interdependence of developing and developed economies, government sources said Saturday [15 June].

The declaration from the June 27-29 [original KYODO version read July 27-29] summit will also call on a ministerial meeting of the World Trade Organization (WTO) slated for December in Singapore to hold discussion on five key fields — labor standards, competition, investment, corruption prevention, and the environment, they said.

The G-7 leaders will also call for softening the debt burden of developing countries in the poorest-nation category, countries heavily indebted to the World Bank and the International Monetary Fund (IMF), they said.

The declaration will warn the G-7 nations against continuing to maintain their large dependence on fiscal borrowing, they said.

It will also sound the alarm against the serious joblessness problem confronting the member nations' workforce.

Japan will propose a meeting in Japan of G-7 experts on employment problems in G-7 nations, they said, adding the declaration will carry a phrase saying the meeting will be held in Japan.

The economic declaration will urge member nations to press ahead with removing regulations on the activities of the business community, they said.

The declaration will carry wording that calls for extending a helping hand to bring more wealth to the poorest-category countries, according to the sources.

Japan: Patent Office To Support IPR Protection System in Asia

OW1406124196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Jun 96 Morning Edition p 5

[FBIS Translated Text] The Patent Office [PO] will cooperate with other Asian nations in improving the intellectual property rights [IPR] protection system. Funds will be provided to the Industrial Property Information Center [IPIIC] to be set up in Thailand hopefully in 2000. Moreover, 200 trainees will come from Asia-Pacific Economic Cooperation (APEC) member nations in October. While the number of Japanese companies that have started business in Asian countries has increased, problems connected with patent protection have happened more frequently. Therefore, the PO has determined that "measures should be taken to support the system's improvement" (as stated by a top PO official).

At the World Trade Organization (WTO)-sponsored IPR talks, it has been demanded that the system should be improved to protect IPR in developing countries by 2000. However, patent examination requires advanced skill and knowledge. In developing countries, the num-

ber of applications for patents have suddenly increased. Under such a situation, some problems have been noted. For example, there is an insufficient number of examiners and examinations will often drag on.

The PO will invite and train 200 experts from APEC member nations, especially from developing countries in Asia.

In Thailand, 500 million yen will be loaned to the IPIIC for setting up an automatic patent information search system. Moreover, measures will be taken to cooperate with the Philippines in setting up a trademark search system.

Japan: Foreign Minister on Building Confidence in Northeast Asia

OW1406141296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Jun 96 Morning Edition p 2

["Speech" by Foreign Minister Yukihiko Ikeda at the Second International Exchange Conference on "The Future of Asia" in Tokyo on 16 or 17 May — from page 2 of the newspaper's special conference supplement]

[FBIS Translated Text] Some time has now passed since the end of the Cold War, and while we have since shared a dream about the future of Asia, we have also become apprehensive during this period. Since the start of the 1990's Asia has enjoyed unprecedented stability and prosperity, but the foundations for this are unstable. To secure a bright future for Asia, mutual cooperation is needed.

The Asian economy is a system of interdependence. The situation does not indicate that a certain nation or region has exceptional power. Each has its own advantages and disadvantages and there will be no prosperity without cooperation. In addition to promoting cooperation within the region, Asian nations must also establish a system that is open to nations outside the region.

Development in the Asian economy has seen various nations grow side by side like a flight of wild geese, and this development has provided an example to the rest of the world. At the plenary session of the UN Conference on Trade and Development held in South Africa last spring, African representatives talked about their hope that they would be able to take off as Asia has, if only they themselves make the effort. It is essential that we should also cooperate with Central and South America as well as Africa.

Political stability is indispensable to economic development. A clear picture of the structure of Asian security has not necessarily been drawn up yet. While attaching

importance to the original bilateral security schemes, it will be important at the same time to work out regional schemes for confidence-building, such as the ASEAN Regional Forum.

Moreover, it will be necessary to work out a definite scheme to strengthen confidence-building in northeast Asia and one of the urgent tasks is to deal with the recent tension between China and Taiwan, as well as the situation on the Korean peninsula.

In declaring the joint statement on security, Japan and the United States did not attempt to add legal changes to the treaty. However, we feel that the Japan-U.S. security arrangements will be able to play a greater role in promoting stability in the Asia-Pacific region as a whole than it did during the Cold War era. We intend to further create conditions so that the Japan-U.S. security arrangements can function in a better way.

It is essential that nations not misunderstand each other's intention in various fields, including political and economic. For instance, China is a big power that is capable of affecting our future. It will be necessary to carry on constant dialogue. With regard to the situation on the Korean peninsula, our major concern lies in how the four-nation consultations proposed by the United States and the ROK can be turned into reality and how Japan, too, will play its corresponding role.

Japan: Upper House Condemns Chinese Nuclear Weapons Test

OW1706085196 Tokyo KYODO in English
0708 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO - The House of Councillors on Monday [17 June] followed the lead of the House of Representatives in adopting a resolution condemning the nuclear test China conducted early this month and calling on Beijing not to detonate another nuclear device.

It said that China's 44th underground nuclear test, conducted at its lop nor testing site on June 8, was "regrettable" and that it "ignored repeated calls from the international community for a halt" to such tests.

The resolution also called on the Japanese Government to take actions, which it did not specify, against the Chinese Government.

Commenting on the resolution, Prime Minister Ryutaro Hashimoto said Japan "will intensify efforts to play a positive role in the struggle to achieve disarmament" and "exert every effort" to conclude a comprehensive test ban treaty (CTBT).

The document, unanimously adopted at a plenary session, was similar to the one adopted by the lower chamber last Friday.

Last August, the Diet passed a resolution condemning nuclear testing by China and France.

Tokyo Urges PRC To Halt Marine Exploration in Disputed Area

OW1406150596 Tokyo KYODO in English
1451 GMT 14 Jun 96

[FBIS Transcribed Text] Kagoshima, Japan, June 14 KYODO - Japan has urged China to halt exploration for natural resources on a disputed area of continental shelf near the southwestern Japanese island of Amami Oshima, Maritime Safety Agency officials said Friday [14 June].

The Foreign Ministry filed the appeal in the wake of the discovery of two Chinese marine research vessels in the East China Sea about 400 kilometers west of Amami Oshima, an area above a continental shelf whose natural resources are claimed by Japan, they said.

The 2,000-ton Fendou No. 7, one of the Chinese ships, has since June 2 repeatedly crossed the halfway line between Japan and China on the continental shelf extending from China, into what Japan claims is territory under its sovereignty by customary international law, they said.

The ship remains in the area, they said.

The other ship also encroached beyond the halfway line last Monday but soon returned to the Chinese side, they said.

China does not recognize the halfway line set by Japan.

Japan: Ministry Spokesman on DPRK, Russian Election

OW1706104596 (Internet) Japanese Ministry of Foreign Affairs WWW in English 14 Jun 96

[News conference by Foreign Ministry Spokesman Ken Shimanouchi with unidentified reporters on 14 June; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Japanese response to the United Nations appeal for emergency humanitarian aid to North Korea II. Upcoming elections in the Russian Federation III. The visit of Prime Minister Ryutaro Hashimoto to the Republic of Korea IV. Food shortages in North Korea

I. Japanese response to the United Nations appeal for emergency humanitarian aid to North Korea

Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. The Government of Japan decided today to contribute US\$6 million to United Nations organs in response to the consolidated United Nations appeal for emergency humanitarian assistance for North Korea issued on 6 June of this year. Of the US\$6 million, US\$5.25 million will go to the World Food Program (WFP). The remaining US\$750,000 will go to the medical activities of the United Nations Children's Fund (UNICEF). The position of the Government of Japan on economic cooperation with North Korea is that a final agreement in the normalization talks with North Korea is a prerequisite for economic cooperation. However, with regard to the latest United Nations appeal, we will be making contributions from an emergency humanitarian perspective to play an appropriate role as a member of the international community. The contributions will be directed toward the activities that we deem highly urgent and important from a humanitarian standpoint. It is Japan's policy to work closely with the Republic of Korea and other friends, with respect to our policies toward North Korea. We have been in close touch with the Republic of Korea and the United States regarding this question of humanitarian assistance. We are hopeful that the assistance by the three countries will have a positive influence on the atmosphere for creating peace and stability on the Korean Peninsula.

That is the announcement that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Upcoming elections in the Russian Federation

Q: How do you rate the forthcoming presidential elections in the Russian Federation? In what way will they result in relations between our countries?

A: We are following with great interest the electoral campaign in the Russian Federation. The upcoming presidential election has a major bearing on the future course of our important neighbor, Russia. Therefore, we are following this election with great interest. We believe that the election is extremely important from the perspective of democratization in Russia. For obvious reasons, I will have to refrain from making any comments on the outcome of the election. However, we would just like to say that we have been positively supporting reform efforts in Russia in the political, economic and diplomatic areas from the perspective of world peace and stability. We are hopeful that there will be no retrogression in this reform policy after the election, and that current policies be continued.

III. The visit of Prime Minister Ryutaro Hashimoto to the Republic of Korea

Q: Could you tell us what Prime Minister Hashimoto is planning to take up as topics at the meeting with President Kim Yong-sam of the Republic of Korea? What in particular is on his mind? Is it mostly the recent soccer decision, or is it the World Cup decision? Or, is it the recent question of how to deal with the so-called comfort women issue? Where do you put the emphasis on this meeting?

A: As you know the announcement that Prime Minister Ryutaro Hashimoto will be visiting the Republic of Korea was made only two days ago. We have just started preparing for the visit. We have just started working with the Government of the Republic of Korea. It is a little premature to discuss with you what specific issues will be raised in the meeting of the leaders. All I can say at this moment is that in the upcoming bilateral summit, we will be exchanging views on bilateral ties, the situation in Northeast Asia, and also the world situation. We are hopeful that through these talks we will be able to reaffirm the importance of friendly and cooperative ties between Japan and the Republic of Korea.

IV. Food shortages in North Korea

Q: Have you had any direct reports from observers in North Korea about the actual situation there, as far as the famine is concerned, and people who have actually seen it?

A: It is very difficult to make a judgment on exactly what the situation is in North Korea. The situation lacks transparency. Factual information on North Korea is extremely hard to come by. But, based on what we know, there is a very serious food situation in North Korea. Reports of the United Nations Food Assistance Organization (FAO) and WFP issued last month indicate that the food situation in North Korea had deteriorated further than they had expected. Based on what we know, there is a serious shortage of grain in North Korea — on the order of 1.5 to 2 million tons. It seems that the rations have been reduced considerably. So, our judgment is that the food situation in North Korea presently is dire.

Q: At the same time, we have all these reports on how copious the supplies are in the military and so forth. Are those based on any actual observations? Are they fact?

A: We have heard reports about abundant stocks of grain — of the stocks of the military. But, according to the FAO-WFP mission that went to North Korea to assess the situation, North Korea has been forced to dip into their stocks to maintain their rationing system, and

they have not been able to replenish these stocks, which continue to fall. There are reports that the military in North Korea is being given special treatment — that they have been given more generous rations. But, there are also reports that rations for the military have also been reduced, and that some men in the military are suffering from undernourishment.

Q: Have you been able to confirm reports that some of the earlier rice supplied by Japan and South Korea has actually ended up with the military?

A: I have not heard any reports to that effect. When we provided the rice assistance to North Korea, they made a commitment that the rice would be used for civilian purposes only.

Q: And you think they have kept their commitment?

A: There is nothing to indicate that they have not.

Q: Can the rice that was sent to North Korea be identified as Japanese rice?

A: I do not know what is written on the bags. I will check and get back to you.

Q: We hear so much about the South Korean rice having a label.

A: It was not Japanese rice that was sent to North Korea. It was rice from the Kingdom of Thailand and the People's Republic of China. It came from our surplus of imported rice.

Q: But it was sent from Japan?

A: It was sent from Japan, yes. It came from our stocks of imported rice. Thank you very much.

Tokyo Closely Watching Russia's Presidential Poll

OW1706032496 Tokyo KYODO in English
0321 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Japan is closely watching the Russian presidential election in which incumbent Boris Yeltsin and communist rival Gennady Zyuganov are fighting a close race, Prime Minister Ryutaro Hashimoto said Monday [17 June].

Hashimoto also told reporters that Yeltsin was leading slightly in public opinion polls shortly before the election.

Chief Cabinet Secretary Seiroku Kajiyama told a press conference that Japan hopes Russia will continue its drives for reform.

Japan also is pleased with the high 70 percent voting turnout as evidence of the development of Russian democracy, Kajiyama said.

Yeltsin took an early lead over Zyuganov in Sunday's presidential election that will in part determine the future of Yeltsin's democratic and market reforms.

Tokyo Sending Warships To Attend Vladivostok Naval Event

OW1406105196 Tokyo KYODO in English
1036 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan will send its warships to take part in a sail-past in Russia's far east port of Vladivostok on July 28 to celebrate the 300th anniversary of the Russian navy, Defense Agency officials said Friday [14 June].

The type and number of ships to participate in the event have yet to be decided, the officials said.

This will be the first dispatch of warships from Japan's Maritime Self-Defense Force under a bilateral pact reached in April to promote security exchanges between the two nations, the officials said.

The accord was reached when Defense Agency chief Hideo Usui visited Moscow to meet Russian Defense Minister Pavel Grachev in April. It calls on Tokyo and Moscow to allow their naval ships to visit each other's ports.

Japan: Ikeda Notes Hope To Strengthen Ties With India

OW1406012096 Tokyo KYODO in English
0058 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Japan hopes to maintain and strengthen ties with new prime minister H.D. Gowda's India, Foreign Minister Yukihiko Ikeda said Friday [14 June].

"India occupies a very important position not only in Asia but also in international society. Our relations have traditionally been sound. We hope to maintain and further bilateral ties," Ikeda told a regular news conference after a cabinet meeting.

Ikeda's comments came after Gowda won a vote of confidence as new prime minister in India's parliament Wednesday. Gowda, who has replaced P.V. Narasimha Rao, heads a coalition of 13 parties ranging from communists to centrists.

Japan: NFP Leader Ozawa Returns From European Trip

OW1506085296 Tokyo KYODO in English
0737 GMT 15 Jun 96

[FBIS Transcribed Text] Tokyo, June 15 KYODO — Ichiro Ozawa, the leader of Japan's main opposition

party Shinshinto (New Frontier Party) [NFP], on Saturday [15 June] returned home from a trip to Britain at the invitation of the British Government.

During the six-day visit to Britain, Ozawa, accompanied by eight other Diet members, met British Prime Minister John Major and opposition leader Tony Blair.

Before going to Britain, Ozawa visited the Netherlands to make a speech at an international conference on liberalism.

Japan: Tsukahara Vows Commitment to Forex Reform

OW1706115096 Tokyo KYODO in English
0958 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — International Trade and Industry Minister Shumpei Tsukahara said Monday [17 June] the Trade Ministry will help reform the Japanese foreign exchange [Forex] control system to produce an efficient environment for international financial trading.

Given global competition and the prevalence of electronic transactions, "it is indispensable to radically review foreign exchange control rules and develop a free trading environment comparable to U.S. and European ones," Tsukahara said in a written comment.

The comment followed the filing of a report by a government advisory panel discussing liberalization of the Japanese foreign exchange control system.

The panel, the Council on Foreign Exchange and Other Transactions, argued for basically repealing the approvals and reports required for external trade settlements and capital transactions by nonbanking traders, among other things.

Tsukahara said the Ministry of International Trade and Industry will make reform efforts in areas under its jurisdiction according to directions provided in the panel report in order to create a trading environment capable of satisfying an array of needs.

Japan: Panel Urges Drastic Revision of Forex Control Law

OW1706133496 Tokyo KYODO in English
1131 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — An advisory body to the Finance and Trade Ministers urged Monday [17 June] a sweeping revision of the Foreign Exchange [Forex] Control Law as part of deregulatory measures to enhance Japan's financial and capital markets, the head of the panel's working group said.

At the day's plenary session, the Committee on Foreign Exchange and Other Transactions approved the working group's report calling for shifting to a post-facto reporting system from the conventional beforehand approval or registration system for currency transactions. Tomomitsu Oba told a press conference.

Urging what he described as "an epoch-making review" to push deregulation to the same level as that in the United States and Europe, Oba expressed hopes that the finance ministry will revise the foreign exchange and foreign trade control law "at the earliest possible date."

The report also called on the government to allow entities other than authorized foreign exchange banks to engage in foreign exchange business, such as transactions of foreign currency-denominated credit with residents. It left the issues of requirements, coverage and supervising systems for further study.

On electronic money, it is necessary to broadly improve the environment with a view to its introduction as an efficient and safe transaction tool, according to the report, which has been under study since last November.

Based on the report, the ministry will tackle reform of the foreign exchange control system and ask for recommendations by the committee about necessary revision of the law as soon as possible. Finance Minister Wataru Kubo, who was absent from the plenary session, said in a statement.

Japan: EPA Says 10 Regional Economies Recovering 'Mildly'

OW1706133296 Tokyo KYODO in English
1146 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Japan's 10 regional economies continue to move on a "recovery track, albeit mildly," the Economic Planning Agency (EPA) said Monday [17 June] in its report for June.

"As the positive economic sentiments among the regions are weakening, we are watching carefully the economic trends in each region," said an EPA official, pointing to the still severe employment situation as a factor making for anxiety.

The report dropped back from the words "following an undertone of recovery" used in the previous report issued in April to "continue to move on a recovery track, although mildly," to describe the economies of Shikoku and Kyushu in southwestern Japan.

The mild recovery is due to the slow increase in production of semiconductors and pulp and paper which have been leading the economies, the report said.

Also changed was the description for Okinawa, from "continuing to move toward basic recovery" to the same "mild recovery track," because of the southernmost island prefecture's rising unemployment rates.

For Hokkaido, Tohoku in northern Japan, and Kinki in western Japan, the report said the trend of increasing production had either paused or slowed, but individual consumption "moved steadily" or had recovered.

Production moved on a recovery track in Tokai, Hokuriku in central Japan and Chugoku in western Japan, the report said.

Japan: Hashimoto Pledges Utmost To Consolidate Financial System

OW1406053196 Tokyo KYODO in English
0501 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Prime Minister Ryutaro Hashimoto pledged in the Diet on Friday [14 June] that he will do his utmost to consolidate the financial system.

He made the remark in a House of Councillors committee meeting in connection with the proposed revision of the law governing the Bank of Japan.

"I'll consider creating an appropriate arena for a study on the matter. I'll do my best to establish a financial system which will be trusted at home and overseas," he said.

Hashimoto's statement followed a decision by the ruling coalition Thursday to carry out reforms of the financial system, including a revision of the Bank of Japan Law.

Japan: Hashimoto Meets Financial Reform Task Force Leader

OW1406124096 Tokyo KYODO in English
1158 GMT 14 Jun 96

[FBIS Transcribed Text] Tokyo, June 14 KYODO — Prime Minister Ryutaro Hashimoto said Friday [14 June] he will undertake close consultations among the three ruling coalition parties on how to respond to recommendations submitted by his coalition's task force on the reform of the nation's regulatory system over financial institutions.

Hashimoto made the pledge during a meeting with Shigeru Ito, head of the task force, who visited the prime minister to submit the report detailing the recommendations seeking his support, government officials said.

Hashimoto told Ito that the report has very serious contents.

On Thursday, the task force adopted the report calling for a revision of the Bank of Japan Law and clearly

defining under what conditions the central bank would be allowed to extend loans to troubled financial institutions facing insolvency and the bank's examination of the books of such institutions.

At present, the central bank is empowered by the law's Article 25 with the authority to take whatever measures are necessary to restore order in the financial market, including an extension of special low-interest loans, when the market is threatened with the insolvency of a certain institution.

The task force also proposed reviewing the current clause in the law that gives the cabinet the authority to dismiss the central bank governor.

It also urged a review of the current method of picking and appointing members of the bank's policy board with the authority to set an official discount rate.

However, Hashimoto quickly suggested in Friday's talks with Ito he is reluctant to establish another task force to come up with recommendations on how the law governing the activities of the central bank should be changed, the officials said.

"Is it appropriate to put together experts who will concentrate only on this issue?" Hashimoto reportedly asked rhetorically.

He expressed rather his willingness to put together an advisory panel of experts who would be commissioned to consider how to reform the entire scope of financial policy administration, the officials said.

In a related development, Seiroku Kajiyama, the government's chief spokesman who attended the premier's meeting with Ito, told a news conference it is imperative to take a cautious approach to the issue of revising the central bank law "by considering possible merits and damage as well as gains and losses" which would be brought about if the law was revised.

Both Hashimoto and Kajiyama called for taking into consideration how foreign countries have dealt with or plan to deal with the issue of reforming their central banks, such as the proposed creation of a unified central bank of the European Union.

However, Finance Minister Wataru Kubo told the meeting between Hashimoto and Ito, "I take this report seriously and will make serious efforts" to implement its recommendations.

Japan: Keidanren Leader Urges Information Disclosure by Financiers

OW1706112096 Tokyo KYODO in English
0939 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — An influential Japanese business leader Monday [17 June] stressed the importance of prompt information disclosure by financial institutions, citing what happened to Daiwa Bank when it was caught in a bond trading scandal last year.

"There's an appropriately timing for disclosure," said Hiroto Higuchi, vice chairman of the Federation of Economic Organizations (Keidanren), in a lecture sponsored by KYODO NEWS.

Daiwa Bank, one of Japan's major commercial banks, was stung by a scandal last year after it disclosed that Toshihide Iguchi, a then bond trader at its New York branch, had incurred losses of \$1.1 billion over an 11-year period.

The bank was ordered to withdraw its U.S. operations in February. It pleaded guilty to concealing the loss after a plea bargain arrangement, and agreed to pay a fine of \$340 million.

Higuchi, also chairman of Asahi Breweries Ltd., said U.S. financial regulators had told Daiwa to file a report on any wrongdoing "as rapidly as possible."

"The phrase means you have to report immediately when you learn something has happened," he said, noting it is different from "as soon as possible" which gives you time to probe into the event.

It took as long as six months for Daiwa Bank to report the case in the U.S., a move which angered the local regulators.

Meanwhile, Higuchi said the high unemployment rate, which matched a record 3.4 percent in April, is "a big problem." He was particularly worried about the jobless rate for young workers aged 16 and 24 which came in at 6.7 percent.

He mentioned a Spanish attempt to help lower jobless rates through work sharing between younger and older generations, but noted it will not be easy to apply such sharing in Japan, given the aging society and the declining number of children.

Higuchi, who has served as chief of a government advisory panel on defense, also said Japan could find itself swamped with North Korean refugees if an emergency arises there.

He said Northeast Asia is "one of the most dangerous areas in the world" in terms of possible conflicts, and

called for support for the Japanese Self-Defense Forces, stressing they are strictly under civilian control.

Higuchi also urged financial commitments for maintaining the forces, saying, "it costs to defend your country."

Japan: Investigators Raid 'Jusen,' Loan Borrowers

OW1706025296 Tokyo KYODO in English
0159 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Investigators on Monday [17 June] morning raided Japan Housing Loan Inc., one of the seven failed "jusen" housing loan companies as a special panel of the House of Councillors was prepared to enact legislation for their liquidation.

It is the first time in the ongoing scandal involving the housing loan companies that police have raided any of the companies.

Investigators also raided the Tokyo realtor Collins and a golf course development company in Gunma Prefecture, north of Tokyo, two of loan borrowers from the Jusen company, police said.

Police officials said the investigators are raiding Takamine Resort Development in Shimonita, Gunma Prefecture, on suspicion of special breach of trust under the commercial code in connection with loans of more than 1 billion yen from Japan housing.

Investigators suspect Japan housing, one of the seven moribund housing loan companies subject to government-orchestrated liquidation, extended the loans knowing they were irrecoverable, according to investigative sources.

Japan housing has also provided Collins with loans totaling over 4 billion yen under a similar dubious scheme, the sources said.

A former loan development official at Japan housing, who handled the Collins loans, allegedly received 180 million yen from a Collins affiliate, prompting investigators to speculate that the official got the money as a rebate.

The House of Councillors special committee on financial affairs is expected to approve Monday a set of six financial bills including one needed for the use of 685 billion yen in taxpayers' money under the fiscal 1996 budget to help wind up the seven failed mortgage companies.

The upper house is also expected to endorse the package in a plenary session Tuesday, making the bills into law. The bills were already approved by the House of Representatives.

Japan: President of 'Jusen' Togensha Indicted

OW1706111996 Tokyo KYODO in English
0937 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — Prosecutors on Monday [17 June] indicted the president of the Tokyo-based realtor Togensha, a major borrower from failed "jusen" housing loan companies, on charges of obstructing the auction of a company-owned tract of land put up as collateral for loans.

Kichinosuke Sasaki, 63, falsified the leasing of land in Hakone, a hot spring resort southwest of Tokyo, to an affiliated company in order to obstruct the Industrial Bank of Japan's request that the land be auctioned, according to the prosecution.

Prosecutors did not, however, indict his wife Tsuya and two others who were arrested in May along with Sasaki, arguing that they only played subordinate roles in the affair.

Prosecutors' plans to rearrest Sasaki on suspicion of perjury in the Diet after the House of Councillors files an expected complaint against him, prosecution sources said.

Sasaki allegedly made false remarks before the upper house budget committee when he testified as a sworn witness on May 1 in hearings on a government scheme to liquidate the seven moribund mortgage companies.

Togensha, which bought the 3,200-square-meter plot in Hakone, Kanagawa Prefecture, in 1989, used the land as additional collateral for over 20 billion yen in loans from the Industrial Bank of Japan, the largest of the country's three long-term credit banks, the prosecution said.

The bank planned to file a request with the Yokohama District Court's Odawara Branch to auction off the land after Togensha failed to repay the loans on schedule.

Japan: Upper House Panel Approves 'Jusen,' Other Financial Bills

OW1706091096 Tokyo KYODO in English
0746 GMT 17 Jun 96

[FBIS Transcribed Text] Tokyo, June 17 KYODO — A House of Councillors ad hoc committee on monetary affairs approved Monday [17 June] six financial-related bills, including one needed to use 685 billion yen in taxpayer's money for the liquidation of seven moribund "jusen" housing loan companies.

The approval by the upper house special committee came with a majority vote by the three ruling coalition parties — the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake.

The upper house is expected to approve the bills by a majority vote at Tuesday's plenary session for their enactment, making it possible for the government to clear the controversial "jusen" issue well in time for the last day on Wednesday of the current Diet session.

During the remaining two days of the Diet session, legislators will debate on additional monetary contributions by financial institutions involved for the "jusen" liquidation scheme as ways to minimize the use of taxpayers' money.

As one measure to reduce the amount of tax money used to mop up losses from the "jusen" liquidation, the Finance Ministry is believed to be considering creating a new fund to be put up by not only financial institutions concerned but also by the Bank of Japan.

Japan: Coalition Leaders Agree To Issue Statement on 'Jusen'

OW1506111696 Tokyo KYODO in English
1040 GMT 15 Jun 96

[FBIS Transcribed Text] Tokyo, June 15 KYODO — Leaders of the three ruling parties agreed Saturday [15 June] to issue a government statement calling on banks and other financial institutions to make an additional donation to reduce taxpayers' burden in liquidating failed mortgage companies.

Secretaries general and other executives of the three coalition partners — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake — reached the agreement in a meeting at a Tokyo hotel, coalition officials said.

The Diet is expected to enact bills necessary to liquidate seven insolvent "jusen" housing loan companies at a Tuesday plenary session of the House of Councillors.

After the legislation's passage, the three-party coalition is considering announcing "as a government statement" a set of measures, including a new fund, to help ease the burden of 685 billion yen in taxpayers' money.

Banks, including the founders of "jusen" firms and agricultural financial institutions, the biggest creditors of the jusen, earlier agreed to contribute a total of 1 trillion yen to the so-called "financial stabilization contributions."

The use of the 685 billion yen, however, angered taxpayers, prompting the government to seek additional contributions from financial circles.

The Finance Ministry plans to set up a second investment fund with an eye toward generating some 500 billion yen in investment profits over the next 15 years to pay back a large part of the 685 billion yen.

The ministry is seeking additional donations from banks and other financial institutions to set up the second fund.

Japan: KHI President Chosen New SJAC Chairman
OW1506023796 Tokyo WING in Japanese
29 May 96 p 6

[Unattributed article. Originally titled "Kawasaki Heavy Industries President Oba New Society of Japanese Aerospace Companies Chairman; Will Work To Build Aerospace Industry Base"]

[FBIS Translated Text] At its 23 May 1996 22nd regular general meeting, the Society of Japanese Aerospace Companies [SJAC] adopted its operational plans for FY1996 and elected new officers. A new chairman and three vice chairmen were selected by the group. Elected as chairman was Hiroshi Oba, president of Kawasaki Heavy Industries Ltd [KHI]. The new vice chairmen are: Toshifumi Takei, president of Ishikawajima-Harima Heavy Industries Co., Ltd. [IHI]; Kikuo Fujiwara, president of Shimadzu Corporation; and Takashi Kitaoka, president of Mitsubishi Electric Corporation [MELCO]. Upon stepping down from his post, former SJAC chairman Kentaro Aikawa (chairman of Mitsubishi Heavy Industries, Ltd.) held a press conference, in which he looked back at his two years in office and made the following major points: It has been two full years since I took over from former chairman Isamu Kawai on 25 May 1994, and today I conclude my term in office. Looking back over these two years, the environment for Japan's aerospace industry has been harsh, with defense demand shrinking and the economic downturn continuing for civilian aircraft. Under such difficult conditions, future demand for both military and civilian aircraft remains opaque, but recent indications are that the picture might be brightening bit by bit. Considering this background, my deep appreciation to you all for being able to reach the end of my term without major incident. Now, KHI President Oba is set to succeed me as SJAC chairman. President Oba has exhibited his leadership qualities already not only in our industry but in a broad range of sectors. Our nation's aerospace industry is now coming to a major turning point prepared for the next leap. It is therefore very timely that President Oba, with his innovative international sense and superior aptitude for modern management, should be taking over as the chairman of our organization at this point in time. I am confident that at the helm of our organization, which represents some 170 corporations, he will without fail be able to exert effective leadership for the future development of our aerospace industry. I therefore take leave of this office with peace of mind. Here, in reviewing my time in office, I will touch on a some points that have particularly made an impres-

sion on me. In September 1994, soon after becoming chairman, I attended the Farnborough Air Show. I then attended the Paris Air Show in June 1995. I thus had the opportunity to participate in two of the world's premier air shows. Also there at both shows were officials and top executives from all of the aerospace countries and their industries from throughout the world. I thus firmly believe such shows are a valuable vehicle for Japan to engage in international exchange. During my two years in office, when it comes to preserving the production and technology base for our nation's aerospace industry, I would note that we have seen basic medium and long-term policies established by the government with the adoption towards the end of last year of the National Defense Program Outline [NDPO], Mid-Term Defense Program [MTDP], and Space Development Policy Outline. I think that, while they are severe, we have been given certain guidelines. I would also note that the new chairman has two major SJAC projects to oversee. The first is the holding of the "Next-Term International Aerospace Exhibition." Thanks to the support of all of you, "International Aerospace Exhibition JA'95," held in February 1995 at Makuhari Messe, was a great success. Following this, we have decided as our policy "to hold in the Tokyo area in 1999" the next exhibition. I am passing on to the new chairman formulation of the basic policy and other preparations. I would also note that, while in office, former chairman Kawai launched the "Aerospace Museum" project to commemorate the 40th anniversary of our organization. We will be working with the authorities concerned to find an appropriate site in the Haneda area and drawing up plans for it. Therefore, the first area where we should concentrate our efforts in this regard is to pin down a good site for the museum. Since the preparations for the actual building of the museum will continue for quite some time in the future, I would ask that all of you for your continued warm support and cooperation in this project. These, then, are the major impressions that I have from my brief two years in office. But when it comes to the long-term prospects for our aerospace industry, in the long run I see reasons for optimism. Naturally, in order for us to realize these fine prospects, all of us in the industry must work our hardest. Even after ceasing to be chairman, I intend to make wholehearted efforts for the sake of the development of the aerospace industry, and I would ask for even greater understanding of and support for the activities of the SJAC than in the past. These are my remarks upon stepping down as SJAC's chairman.

The new SJAC chairman Hiroshi Oba (KHI president) spoke at the press conference marking the change in society officials and at a roundtable discussion. Below are highlights of his remarks: The environment

for our nation's aerospace industry, in an age of internationalization, is becoming even more severe. Taking over as chairman of our organization at such a time, I feel deeply the weight of responsibility. When it comes to defense, we must follow the trend (towards holding down expenditures), but I would like to work to support the technology and production bases needed to respond to requests in this field. In regards to civilian demand, we are promoting international joint development. There are several bright spots in the picture, such as the increase in monthly production of the B-777 to seven aircraft. Henceforth, we would like to lean forward in tackling the various issues facing SJAC and make all-out efforts in the future to build the base for our nation's aerospace industry. Thus, we will do all we can to contribute to the healthy growth of our industry.

Profile of Hiroshi Oba

Born 12 June 1925 in Shizuoka Prefecture.

Graduated from the Engineering Faculty of Osaka University in 1948, received a doctorate of engineering from University of Tokyo in 1961, in 1995 named an honorary member of the British Mechanical Society. Joined KHI in 1948, became a company director in 1980, managing director in 1983, executive director in 1985, vice president in 1986, and president in 1988. In 1992, Oba became chairman of the Japan Aircraft Development Corporation and a member of the Ministry of International Trade and Industry's Aircraft Industry Council. In 1994, he became SJAC Deputy Chairman. In 1971, he received the prize for achievements in science and technology from the Science and Technology Agency, in 1990 received the Rankan Prize [name as received], and in 1996 received the Daiei Prize.

Japan: Article on Need To Prepare for Emergencies

OW1406143196 Tokyo SANKEI SHIMBUN
in Japanese 12 Jun 96 Morning Edition p 6

["Seiron" ("Justifiable Argument") column article by Teikyo University Professor Toshiyuki Shikata, former senior Defense Agency official: "Preparations for Emergencies Need To Be Stepped Up"]

[FBIS Translated Text] Uncommon Outbreak in North Korea Is Inconceivable

Of late, turbulence has been reported along the cease-fire line of the Korean peninsula. Since North Korea announced on 4 April that "it would give up the tasks of maintaining and controlling the military borderline and the demilitarized zone," several border incidents have taken place.

Only small units were involved in these incidents, and transgressors soon returned to the North without going too far. Therefore, it is observed that these incidents were planned in an attempt to survive by maintaining direct talks with the United States while bypassing the ROK.

Aside from these incidents, one officer fled his country in a fighter plane and two elites sought refuge in Beijing. However, they should be observed as separate and individual incidents. It would be too hasty to get confused with these incidents and say that North Korea is on the verge of breaking down by itself. Moreover, it will be going too far to say further that there is a great possibility that instead of self breakdown, an isolated military outbreak will take place in North Korea.

The fighter in the recent escape is a MiG-19 fighter of the fifties. It is surprising that such a fighter is still used. Moreover, it is observed that these fighters are part of the North Korean Air Force's major force and are used in the air defense of Pyongyang, the capital.

The airplane is obsolete now. Not only that, probably due to a fuel shortage, pilot training flight hours account for only about one-tenth what American pilots get. In combat skills, North Korean pilots cannot be favorably compared with U.S. or ROK pilots.

Furthermore, without concealing the food shortage emergency, the North Korean Government has appealed to the international community for aid. Now that North Korea is outdated in its armaments and short in foodstuffs, it would be normal to think that North Korea will not be able to resort to military measures and invade the South.

In this connection, it is important that political and diplomatic efforts be made to carry on dialogues with North Korea with great patience. At the same time, it is important to provide economic assistance such as foodstuff aid and technological assistance. However, it will be overoptimistic to believe that as long as assistance is provided, something inconceivable will never happen.

The "Slow-To-Act" Government Deciding To Act at Long Last

Japan and the ROK are scheduled to jointly host the World Cup soccer finals in 2002. By that time, North Korea may have opened up its doors economically, achieved democratization in politics, and gotten out of its isolation from the international community. In that case, it will not be a dream for Japan, the ROK, and North Korea to jointly host the soccer finals.

Nevertheless, North Korea may have come very close to breakdown by then. Or rather than waiting for its own breakdown, North Korea may resort to military adventure. However, will it be possible for North Korea to tide over the crisis while casting a side glance at Japan and the ROK, which will be engaged in coordination and cooperation so that they will be able to successfully host the soccer finals?

After issuing the Japan-U.S. joint statement on security, however, the government, which is normally slow to act, has at long last decided to get prepared for contingencies, emergencies in the Far East. First of all, final consultations will be held on working out concrete plans for various individual cases, such as rescuing Japanese nationals residing abroad, taking care of a large number of refugees, ensuring coastal protection, and providing assistance to the U.S. Forces Japan (and in case of emergencies on the Korean peninsula, support will be provided to the UN forces).

How About Exercise of Collective Self-Defense Right?

A warning does not always precede an emergency. An emergency is precisely a state in which a contingency suddenly arises. Even if the embassy should admonish Japanese nationals residing overseas to leave the host country, some Japanese will be left in confusion.

If there are only 20-30 Japanese left in a foreign country, foreign airlines may be entrusted with the rescue operation. However, if the number reaches 1,000-2,000, the rescue operation will not be that easy.

If an infiltrated special forces unit attacks an airport, the airport will be put into a critical situation. And when many foreigners crowd into an airport hoping to escape, the airport will probably be plunged into utter confusion. In that case, various foreign nations may request our country to dispatch aircraft to engage in rescue operations.

However, even if Air Self-Defense Force [ASDF] units should be dispatched to rescue the Japanese nationals residing abroad, it is limited to those cases "that involve no danger." Even if dispatched to the site, SDF personnel on the aircraft will not be allowed to join the local garrison units and take concerted actions.

Even if the Japanese nationals should reach a port by overland routes, the port may have already been blockaded with mines. And even if the sea should be cleared, no Maritime SDF [MSDF] units can be dispatched to the port.

With great difficulty, these Japanese may have reached the open sea on board ROK vessels. However, when

these vessels with many Japanese nationals aboard are attacked by torpedo speedboats or submarines, the nearby MSDF escort vessels cannot assist ROK guardships engaged in battle because it would involve the exercise of the collective self-defense right.

What the MSDF vessels can do is merely rescue, from the humanitarian standpoint, surviving passengers floating in the water after the vessels have been sunk. Escort boat captains will be at a loss as to what to do: protect the lives of the Japanese nationals or adhere to the current interpretation of the nonexercise of the collective self-defense right.

Politics Should Indicate Their Principles to the People Both at Home and Abroad

Something has to be decided by politics: What is it that should never be done in peacetime? And what are the actions that can be taken only in an emergency? The exercise of the collective self-defense right does not mean "all or nothing."

There must be several different stages, such as the humanitarian stage, the stage for protecting Japanese nationals residing abroad, the stage for protecting citizens of those nations that are not engaged in the war, and the stage for taking actions at the request of the United Nations. Politics should decide on these stages. Moreover, it is politics that should enact legislation, and indicate the principles to the people both at home and abroad. If politics adheres to the principle of "all or nothing" and prohibits the exercise of the collective self-defense right, we do not need such politics. In that case, what we need is legal experts alone.

Japan: DA Firms Up Outline of 1996 Defense White Paper

OW1406144796 Tokyo MAINICHI SHIMBUN in Japanese 13 Jun 96 Morning Edition p 1

[By reporter Natsuki Mototani]

[FBIS Translated Text] As of 12 June, the Defense Agency [DA] has firmed up the outline of the 1996 edition of its "White Paper on Defense." With regard to the PRC, the white paper touches on the PRC's military drills in the Taiwan Strait and its underground nuclear tests. The DA completely rewrote the style of its previous white papers in analyzing and assessing the PRC's military situation, stating for the first time that "attention needs to be paid to movements." In this way, the paper indicates strong overtones of Japan's alarm at the PRC military forces. In regard to Russian military forces in the Far East, on the other hand, the DA deleted the expression, "unstable factor," stating that "it is necessary to pay attention because elements

of uncertainty exist." In this way, the paper indicates the DA believes that the level of military threat and ambitions of Russian forces have faded.

The white paper is to be presented to the cabinet early next month. Regarding the "military situation around Japan," this year's white paper asserts that "in addition to the continued existence of large-scale military forces, including those with nuclear capabilities, many countries are trying to build up and modernize their military forces." In this way, the white paper points out the realities of the PRC's nuclear capabilities and Southeast Asian countries' military buildup accompanying their economic growth.

Regarding the Chinese military forces, the white paper notes that the PRC "is modernizing its nuclear, naval, and air power and expanding maritime activities." The paper adds that "it is necessary to pay attention to movements" because of, among other reasons, "increased tension in the Taiwan Strait due to Chinese military drills around Taiwan."

The white paper states that the PRC advocates "wealth and power" as one of its national goals. It stresses that Chinese military spending for the current fiscal year grew 11 percent over the previous year, a two-digit increase for the eighth consecutive year.

In its 1995 white paper, the DA, in a toned down expression, indicated it believed that "the Chinese military forces are working toward modernization" and that the PRC "is positioning economic development as its priority task." It adhered to an objective expression, asserting that the PRC will "continue to boldly proceed with modernizing its defense capabilities."

Meanwhile, regarding the Russian military forces in general, the DA believes that in consideration of the political and economic situation in Russia, the military forces' "movements are unstable, volatile, and opaque." However, regarding Russian forces in the Far East, for which the DA had remained alert because it felt "massive numbers of troops have been accumulated" even after the end of the Cold War, DA analysts have determined that the forces have now diminished to a level that requires the DA to merely "keep watch." This year's white paper also states that Russian troops in the northern territories have been "scaled down to brigade levels."

Japan: JADI Events for Apr, May 1996 Reported
OW1506030896 Tokyo GEKKAN JADI in Japanese
Jun 96 p 63

[Unattributed column. Originally titled "JADI Events"]

[FBIS Translated Text] **First Board of Directors [BOD] Meeting of FY1996**

The first Japan Association of Defense Industry [JADI] BOD Meeting of FY1996 was held, as customary each year, in advance of the General Meeting. It took place from 14:30 on 10 May 1996 (Wednesday) at the hotel Grand Hill Ichigaya in Tokyo. There were four items for consideration on the agenda: (1) the report on business operations during FY1995 and the settlement of accounts for the year, (2) the operations plan for FY1996 and the proposed budget for the year, (3) a proposal for the election of directors and auditors after a term in office is up, and (4) a proposal on the nomination of advisors and technical advisors. After discussion, all of these proposals were adopted. After that, three report items were considered and the meeting was adjourned without incident.

First FY1996 Roundtable Discussion for Directors, Others

After the conclusion of the above BOD meeting, the first FY1996 roundtable discussion for JADI directors and others was held at the same venue. Participating in this meeting were some 60 individuals, including the directors and auditor or their proxies. The featured speaker was Masahiro Ota, director of the Defense Agency's Technical Research and Development Institute [TRDI]. His speech, "The Present and Future of Technical Research and Development," included such themes as Japan-U.S. technological exchange and the technology demonstration type of research. In his remarks, Ota offered concrete examples. His briefing was well received. There then took place a relaxed roundtable discussion, with the easygoing atmosphere contributing to a free exchange of opinions that proved quite valuable.

29th Weapons Roundtable Discussion

From 8:00 to 9:30 on the morning of 18 April 1996 (Thursday), a roundtable discussion on weapons and related matters was held at the hotel Grand Hill Ichigaya in Tokyo. Attending from the Defense Agency were Bureau of Equipment Director Hisamitsu Arai, Deputy Director General Kyoji Yanagisawa, Coordination Division Director Toshio Adachi, and Weapons and Materials Division Director Junshi Suenaga.

Operations Liaison Committee

On the afternoon 18 April 1996 (Thursday), the first meeting this fiscal year of the Operations Liaison Committee was held. In addition to considering proposals and report items from the first BOD meeting of FY1996 and the 9th General Meeting, the committee dealt with various outstanding matters.

Roundtable Discussion for Chairman, Deputy Chairmen, Others

Early in the morning of 9 May 1996 (Thursday), a meeting was held that was attended by JADI Chairman Kitaoka, the vice chairmen, managing directors, and other association officials. They discussed proposals to be presented at the May General Meeting, the BOD Meeting, and other matters.

Japan: Analyst Questions SDF Defense Capability
OW1406121596 Tokyo SAPIO in Japanese 12 Jun 96 pp 105-107

[Article by Tsutomu Matsumura, East Asian representative for the Dupui (as published) Institute of Strategic Studies: "Politicians Should Question Self-Defense Forces' Operational Abilities Before Debating On the 'Right of Collective Self-Defense'"]

[FBIS Translated Text] "We may as well have only such defense power as suitable in peace time. Do not think about emergencies. The Japanese Self-Defense Forces [SDF] will suffice if they could parade." About 20 years ago, a Japanese SDF general made this remark to me, when I was seriously pondering "measures for emergencies" in preparation for the "Japan-U.S. Defense Cooperation Guidelines."

Recently, at last, tensions have risen around Japan and such subjects as the "right of collective self-defense," "emergencies," and "redefining the Japan-U.S. security arrangements" have begun to be debated. Before that, the subject of "emergencies" was a taboo to the SDF and the government in Japan.

During the Cold War, the government never seriously thought about the possibility that the Soviet Union might launch an attack against Japan. Using the U.S. "strategy of deterrence" slogan, efforts have been made to let the people think that the "window of aggression" is closed, devoid of an assumption "if the window is broken." This is just like a fire-station that does not think of extinguishing fires, but only exerts efforts to prevent fires. Thus, the SDF has grown into a make-believe defense power. Military professionals of the world have laughed at the SDF, that "it is a political decoration that cannot fight."

Let us look at the realities of the SDF. In 1999, its density of fighter-planes, airfields, and anti-air capacity per territorial land and sea area will become inferior to those of the Republic of Korea and of Taiwan, and the density of warships will become inferior to that of Taiwan. Despite of its anti-air and anti-submarine capabilities, the Maritime SDF's attack capability against surface ships is extremely poor because it is supposed to be under the protection of the U.S. Seventh Fleet.

Ground defense capabilities in outlying islands are close to nil. Of course, there is no fighting capability to recapture the islands when they are occupied nor recapturing operations have ever been assumed. Assume that the SDF wants to recapture Takeshima Island. It has no capability to do so. The Maritime SDF exists for the defense of the U.S. Seventh Fleet, not for the defense of Japan. The U.S. Seventh Fleet's mission is to defend Japan. I used to tell my colleagues in the Maritime SDF, "Give my best regards to the Seventh Fleet."

With regard to the Ground Self-Defense Force, little progress has been made in quantitative modernization of tanks and artillery. Seventy percent of their equipment is outdated. Most of infantrymen are not armored and march on foot. Ammunition stockpiles in case of emergencies are hopelessly small, and they will be consumed in a week when an emergency occurs. Not only the frontline armament but also the rear logistic support war capabilities are extremely weak. These sort of troops are beyond world's imagination.

Furthermore, there is no institute available for tactic doctrine. Masterpieces of all laws covering emergencies are non-existent. No tanks are allowed to move on the roads without police permission — even in emergencies. After all, Japan is full of defects in terms of tactical function.

Confronted by full-scale emergencies, the SDF cannot be expected to stage joint operations with the U.S. military for Japan's defense as provided in Article 5 of the Japan-U.S. Security Treaty. The issue of the right of collective self-defense has been debated these days but the realities are far too immature to make the discussion anything but trickery. Politicians are hoping to discuss the matter after scrutinizing the real image of the SDF.

Another bit of nonsense in the process of redefining the Japan-U.S. security arrangement is that some people, even among the ruling coalition parties, oppose rear logistic support on the assumption that it is an exercise of the right of collective self-defense.

The military organization is composed of combat units and rear logistic support units. Actions of the former are based on the "principle of combat" and the latter on the

"principle of circulation." "The combat is a different story from the rear logistic support." Coordination among combat troops is certainly an exercise of the right of collective self-defense. But it will not pass as commonsense to consider the SDF providing rear logistic support, in accordance with Article 6 of the Japan-U.S. Security Treaty, to the U.S. military an exercise of the right of collective self-defense.

Japan Pays 30 Times More Money Than Germany Does for Stationing U.S. Troops

There is a so-called "bottle cap theory" in the background that makes the Japanese debate on such matters as the redefinition of the Japan-U.S. security arrangements, the SDF's status, and the issue of guaranteeing security of the Japanese as nonsensical and off-balance from the commonsense of the world. It is the U.S. way of thinking that "the Japan-U.S. security treaty is a cap to bottle up Japan from becoming a military power." Many Japanese are willing to accept this theory. For Japan to have an effective and compact defense power, it is advised to get rid of this "bottle cap theory" now.

It is a well-known fact that the six-year post-war period under the U.S. occupation was when Japan was in "the process of democratization and nonmilitarization" and at the same time a "period when the Allied Powers, especially the United States, were punishing and containing Japan." Its hidden objective was, as Chairman Poly (as published) of the Reparations Commission was quoted to have said in his report, "to make the yellow monkey, Japan, the world's third-rate powerless country and prevent it from becoming a military power."

It was apparent that such an objective was incorporated in drafting Japan's constitution. Incidentally, for six years until the end of the occupation, the Japanese Government paid more than 40 percent of its national budget every year for the cost of stationing the occupation forces.

Although amended in 1960, no essential change has been made in the character of the Japan-U.S. Security Treaty, which had been signed in pursuance of such U.S. objective. The U.S. objective with regard to the Japan-U.S. security arrangements has not changed at all in that the number one objective of stability in Asia and the Pacific is to prevent Japan from becoming a full-fledged nation militarily.

Its specific methods are to "keep the SDF as troops with incomplete operational functions" and to "maintain U.S. military bases in Japan." And they have completely succeeded. As explained before, the SDF is a defense power with no ability to counterattack, because all counterattacks are dependent on the U.S. military.

Historically, no precedent of alliances such as the Japan-U.S. security arrangements exists.

On top of this, Japan pays 4 billion dollars (approximately more than 400 billion yen) to the United States every year. The amount for three years would pay for building and operating an aircraft carrier. Incidentally, Germany pays only \$130 million for stationing U.S. troops, one-tenth of what Japan pays for U.S. soldiers per capita. The "bottle-cap theory" is beneficial for the United States, while detestable to the Japanese.

When and if "the bottle cap" is removed, will Japan ever become a military power again? It might as well never happen.

During the 50 years after the war, Japan has grown to be a democracy. It has become such a pacifist state that cannot prosper without mutually depending upon the international community economically as well as politically.

Most Japanese people share a common recognition that no benefit will be gained from Japan's becoming a military power. Contrarily, Japan's national interests as a trading nation lie in "Asia free from hegemony seeking powers" and in that respect, national interests of many Asian nations correspond with that of Japan.

In the past, Asian countries suffered from hegemonistic strife among Japan, European nations, and the United States. And in the Cold War days, they were disturbed by communist movements.

Today, the Asian people do not allow any country, the United States, China, Japan, or Russia, to seek hegemony in the region. They want "Asia free from hegemony of a power." "A menace to Japan means the appearance of a nation seeking hegemony in Asia."

The Japan-U.S. security arrangements should place its foundation on this point. From the standpoint that no hegemony-seeking nation is formed in Asia, Japan should coordinate its recognition of menace with the United States and it is necessary for both countries to recognize the existence of mutual national interests. Redefining Japan-U.S. Security Arrangements in the True Sense [subhead]

The Japan-U.S. security arrangements' objective, however, does not make a perfect concentric circle. Such cases may take place in which a menace to Japan does not constitute a threat to the United States and that national interests of both countries do not coincide. One such example was the Falklands conflict in which the British engaged by itself despite the fact that the United Kingdom is a member of NATO. Specific cases for Japan are problems related to the four Kurile Islands,

the Takeshima and Senkaku Islands, and the Sakishima Islands under the PRC's intimidation off the Taiwan shore.

In the middle of April, Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton heralded efforts to redefine the Japan-U.S. security arrangements.

There will be no change in the future in which Japan's number one political objective is the maintenance of its allied relationship with the United States. Without an alliance with the United States, Japan will immediately be isolated internationally.

In view of this political objective, Japan has to recognize the stationing of U.S. troops in Japan. The U.S. military presence is necessary for peace in Asia and the Pacific and for Japan not requiring a large defense power. At present, military bases are provided for use by the U.S. as if they were occupied under extraterritorial rights; this should not be allowed. Their scales can be reduced, too.

For that purpose, Japan must "add more options in coping with menace." That means having the option "to defend on its own" in addition to "joint defense" and "supporting U.S. military operations."

How to respond to conflicts in which the PRC plays a key role has become the main theme of the post-Cold War Japan-U.S. security arrangements. They include emergencies involving the Korean peninsula, the Taiwan Strait, the South China Sea, and divided China. The "deterrence strategy" provided in the Japan-U.S. security arrangements does not function here. Thus the main theme of the SDF's strategy becomes the "strategy of how to respond."

After all, situations in which Japan has to deal with defense on its own might take place.

Japan has to improve its defense response capabilities, though they may be small, so that it can become a "sovereign state with complete defense functions."

One of the reasons behind stationing U.S. troops in Japan is "to protect Japan because the SDF is full of defects." U.S. demands and the Japanese Government are responsible for this situation. When Japan improves its response capability, the extraterritorial nature of the U.S. military presence will naturally change. It is possible to reduce the number of U.S. military bases as in Germany and let the SDF supervise base facilities.

It may conflict with the U.S. "bottle cap theory," but it may be an unavoidable way to take to build a genuine allied relationship with the United States. It seems to me, who has actually worked for Japan's defense, that

a revision to the Japan-U.S. Security Treaty amounts to its redefinition.

Japan: ASDF Officer Discusses Aircraft Testing

OW1506022696 Tokyo WING in Japanese
29 May 96 p 6

[Article by journalist Kenichi Watanabe]

[FBIS Translated Text] Air Self-Defense Force (ASDF) General Takehide Yoshikawa, commanding general of the ASDF's Air Development and Test Command, recently held a press conference for aerospace industry journalists, at which he outlined his basic thinking on achievements during FY1996. Below are highlights of his comments.

Since FY1996 is the first year of the new Mid-Term Defense Program [MTDP], we recognize that the challenge of reaching new goals has begun. General Koji Takagi, ASDF Chief of Staff, has pointed to the following as guidelines for unit operations: "maintenance of operations readiness," "guaranteeing qualitative superiority," "functioning as an organic organization," "a joint mindset," "building confidence with the United States," and "harmony with society." In the Air Development and Test Command, we cannot accomplish our mission without these six guidelines. First, I would note that this fiscal year we have begun in earnest three major projects: operational testing and evaluation of the XF-2, cooperation in engineering testing and evaluation of the XAAM-4, and preparations for operational testing and evaluation of the AWACS. We are thus seeing systems that are the results of long, hard work in which initial concepts were refined into plans, and knowledge took shape in the form of designs, finally move into the stage of evaluation of the real thing. I salute the diligence of all those whose efforts have brought us so far, including all ASDF personnel involved in these projects, our mentors who went before us, and all those people—including those in the aviation industry—who have worked to turn our dreams into reality.

The Air Research and Test Command has been busy making preparations for our part in these major projects, including training technical officers and maintenance personnel, training test pilots, and creating testing and evaluation systems. We hope that all of their talents will be utilized to the fullest so that we will be able to complete our mission. By furnishing ASDF units with major equipment and such, we increase their flexibility. They are then able to raise their capabilities to a new qualitative level. I hope that in the testing and evaluation through close collaboration with associated units we will be able to make sure that the equipment is totally ready for use in the field and that we can

achieve incremental progress. Next, I would like to see us concentrate our efforts in the area of improving the equipment of operational units. We are talking about a broad range of activities here, including Patriot upgrades, operational testing and evaluation of the U-4 multi-purpose support aircraft, operational testing and evaluation of the 20mm optical light signal bomb (term as received), and electronic environment technology survey. I think that we should keep foremost in mind that all of these systems are already in daily use by units. We should therefore seek to contribute to improving their operational capabilities. However, it must be admitted that there are time and personnel limitations on what we can do in reality in all of our operations. That means that we will need to attain the support of the operational units in question, use small teams, or take other appropriate measures to respond effectively to the situation. Because the scope of activities for the Air Development and Test Command is expanding, we at headquarters must always maintain an overall perspective.

I would also note that we are actively involved in the preparations for the transfer of training sector functions to the medical testing unit at Iruma Air Base during next fiscal year. We are thus being provided with opportunities for combining efforts for improving equipment capabilities with social science research. In other words, we are working in areas where we can look to bolster our "man/machine systems." When it comes to the ASDF's commitment to the "pursuit of vigor," our command has taken the first, certain steps. We are highly cognizant that whether or not we achieve this goal is likely to have a major impact on the future course of the SDF. With a basic spirit of active commitment to "liberal generosity" and "no hierarchy in wisdom." Based on this approach, and by maintaining "tough regulations," I would like to advance at the head of the ASDF into a new age. In addition, Commanding General Yoshikawa pointed out that among trends following in the Cold War's wake is the proliferation of the newest weapons. He stated his view that, "Together with an emphasis on quality, possessing a little bit different equipment would tie in to deterrence." He feels that incorporating Japan's superior civilian technologies into its defense technologies and possessing unique defense technologies would likely prove significant in serving as bargaining power in negotiations for obtaining technology, licensed production, and other areas.

In terms of equipment "quality," there is a trend towards less of a gap. Therefore, Yoshikawa indicated the demand for even more improved training. In this regard he said, "Considering the training environment

and fiscal environment we are going to encounter in the days to come, the installation of simulators that can be used for very well-designed and realistic (rational) training becomes vital. We therefore need to beef up our efforts to store training data that can be used to develop them." He added that one important subject for future research will be a look at the tactical simulators used by the U.S. military. He also mentioned the need for equipment that will make possible real-time, precise evaluations of fighter aircraft training. He noted that the use of the Global Positioning System (GPS) and other state-of-the-art technologies should allow the ASDF to develop its own distinctive evaluation equipment that will not be as large and bulky as what has been used in the past.

Regarding the development of the F-2, he said that the importance of the project was highlighted by the unveiling ceremony held on 19 April 1996 at Gifu Air Base. On hand for the "solidarity ceremony" were not only officials from the Defense Agency's Technical Research and Development Institute (TRDI) but representative of companies involved in the development of the new plane, including U.S. contractors, as well.

At the ceremony General Yoshikawa emphasized how important he thinks this new combat aircraft will be to Japan's national defense effort, saying: "As with the Spitfire fighter aircraft that saved England, we should consider the F-2 in the future saving Japan in its hour of need. We should thus pursue our development task with ardor as a manly adventure." He thus appealed to the solidarity of those involved. The contract for mass production of the F-2, successor to the F-1, is to begin in FY1996. Even though it is very difficult to discover all inadequacies before the aircraft are deployed to their units, everything possible is being done to work out the "bugs" in them through reviews prior to the commencement of actual flight testing. In flight testing, the flight area will be gradually expanded. General Yoshikawa thus explained this "steady but bold" approach.

Japan: Article Summarizes Final Report of Hashimoto Reform Vision

OW1706112296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Jun 96 Morning Edition p 2

[FBIS Translated Text] The following is the gist of a final report on "basic direction of the Hashimoto administrative reform" (Hashimoto vision) formulated by the Liberal Democratic Party's Administrative Reform Promotion Headquarters. I. Basic Recognition

Our society's aging process has been progressing more rapidly than the Provisional Council for Administrative

Reform led by chairman Toshio Doko expected in the past. It is feared that the national burden rate will increase faster than expected. The goal and ideal of the Hashimoto administration is "to establish the administrative system that can maintain Japan's vigor even in an extremely aging society." II. Direction of Reform A. The review of the central government's role and streamlining of the central government

1. Reconstruction of finance and review of public investment: Doing away with the simplistic principle of "no deficit-covering bonds," there is a need to establish more rational standards on the optimum macroeconomic level of fiscal deficits. A future increase in the national burden rate is inevitable. However, when considering its impact on the younger generation and private enterprises, the surge in the rate must be minimized. A goal should be set to restrict the peak of the national burden rate to about 45 percent. Noting a need for mid-term program to reform the government's financial operation, the "fiscal reconstruction plan" must be formulated. The 10-year public investment program will be reviewed to shift its investment areas from hardware-oriented to software-oriented.

2. Reorganization of government ministers and agencies in connection with relocation of nation's capital: All ministries and agencies will be streamlined through reorganization when the nation's capital and its functions are relocated.

3. Reform in the public servant system: Research must begin to introduce a concrete formula to recruit new government officials, including diplomats, all together at one time. Unification of the personnel administration system is also considered. B. Administration that produces vitality and creativity

1. Furthering deregulation: The promotion of deregulation will lead to a heated competition in economic activities. Some people — the employed, the self-employed, and managers of small and medium enterprises for example — are expected to be hit hard. Cordial support should be given to those people by providing seminars for training, helping industrial reconversion and improving management systems.

2. How to deal with an aged population and the scarcity of children: Reconfirm what is the starting point of welfare society. An emphasis should be placed to provide public services to the people who truly need the government's support in terms of the income level and financial standing. Regarding welfare and medical provisions, a range of options should be broadened to reflect private-sector energy. C. Transparent and responsible administration: omitted D. Administration to correct the high price structure: omitted

North Korea

DPRK: NODONG SINMUN Warns 'U.S. Hawks' Against Military Exercises

SK1506044296 *Pyongyang KCNA in English*
0425 GMT 15 Jun 96

[*"Wild Ambition To Stifle DPRK Unchanged" — KCNA headline*]

[FBIS Transcribed Text] *Pyongyang, June 15 (KCNA)* — The bellicose elements of the U.S. military staged military manoeuvres involving the U.S. Air Force present in Japan allegedly to cope with an "aerial surprise attack" by the DPRK and a missile firing exercise on the west coast of South Korea recently.

NODONG SINMUN today, commenting on this, says that their continued manoeuvres against the DPRK are a typical evidence that the U.S. aggravates tensions in and around the Korean peninsula.

The news analyst further says:

The U.S. ambition to stifle the DPRK by dint of strength still remains unchanged. The U.S. is keeping numerous nuclear arms and huge aggression forces in South Korea and supplying state-of-the-art means of war to the U.S. Forces present in South Korea and the puppet army. In the recent years alone it armed South Korea-based U.S. Forces with modern equipment worth billions of U.S. dollars. It is now stepping up the modernisation of the South Korean puppet army.

On the tenth of June provocative aerial war exercises were staged for scorched-land operations against the northern half of Korea. Involved in the manoeuvres were scores of assault and pursuit assault planes of the U.S. Pacific Fleet and some 120 fighter planes of the U.S. Seventh Air Force present in South Korea.

Rimpac-96 joint military manoeuvres, including landing operations and sea lane blockade exercises now under way in the Pacific, are for an "event of contingency" on the Korean peninsula.

These military manoeuvres staged by the bellicose elements of the U.S. military may go over to a real war. We take serious note of them, therefore.

The U.S. hawks consider that with strength they can do everything as they wish. They are mistaken.

**DPRK Daily Denounces U.S. Military Exercises
Against DPRK**

*SK1606045296 Pyongyang Korean Central
Broadcasting Network in Korean
0854 GMT 15 Jun 96*

[NODONG SINMUN 15 June commentary: "Unchanging Ambition To Crush the DPRK"]

[FBIS Translated Text] The bellicose elements of the U.S. military have continuously staged military exercises against us.

They staged an exercise involving the U.S. Air Force in Japan allegedly in preparation for a surprise aerial attack by us, and, a while ago, a missile firing exercise on the west coast [of South Korea]. This is typical evidence that it is the United States which is aggravating tensions on and around the Korean Peninsula.

We hope that tensions will be eased on the Korean Peninsula and that peace will be ensured there. However, the United States hopes tensions will be aggravated on the Korean Peninsula. This is because if tensions are eased on the Korean Peninsula, they will lose a pretext for stationing aggressive forces in South Korea and its vicinity and, in the long run, a pretext for provoking a new Korean war.

The United States has not abandoned its ambition to crush us with strength. It is keeping numerous nuclear arms and huge aggression forces in South Korea and supplying modern means of war to arm the U.S. forces occupying South Korea and the puppet armed forces. In recent years alone it has armed the U.S. Forces occupying South Korea with modern equipment worth billions of dollars. It is now stepping up the modernization of the puppet South Korean armed forces. A while ago, it also decided to hand over sea-launched missiles worth hundreds of millions of dollars to the puppet South Korean Armed Forces.

The United States also frequently stages joint military exercises with the puppet [South Korean] Armed Forces and the Self-Defense Force of Japan and leads the situation to extremes. On 10 June, scores of assault planes and pursuit-assault planes of the U.S. Pacific Fleet and some 120 fighter planes of the U.S. 7th Air Force occupying South Korea staged a provocative aerial war exercise for scorched-earth operations against the northern half of the Republic.

The Rimpac-96 joint military exercise is now underway in the Pacific, and landing operations and sea lane blockade exercises are now underway there in the event of a contingency on the Korean Peninsula.

The exercise involving the U.S. Air Force in Japan, which the bellicose elements of the U.S. military staged allegedly in preparations for a nonexistent surprise air attack by us, and the missile firing exercise on the west coast are part of the new war provocation maneuvers to crush our Republic with strength.

We are keenly alert to the possibility that the bellicose elements of the U.S. military, while aggravating tensions and staging war exercises under the pretext of an attack and threat from us, may switch over to a real war. The nature of the U.S. bellicose elements intending to crush us with strength has not changed but is getting more dangerous as time goes by.

The bellicose elements of the U.S. military think that through strength they can do anything they wish. They are mistaken.

Our people are not afraid of confrontation and are always filled with confidence in victory.

The only thing the hard-line U.S. conservatives will get by continuously and recklessly running wild in a bellicose manner will be shame and defeat. The bellicose elements of the United States must abandon their anachronistic policy of strength and withdraw their aggression forces from South Korea and its vicinity. For the United States, this will be the right thing to do.

**DPRK: 'U.S. Imperialist Warmaniacs' Exercises
Denounced**

*SK1606070296 Pyongyang KCNA in English
0625 GMT 16 Jun 96*

["Continued War Exercises" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The U.S. imperialist warmaniacs on June 13 and 14 had air war drills aimed at a surprising preemptive attack on main strategic objects in the depth of the northern half of Korea, military sources said.

Involved in the adventurous exercises in the sky above the West Sea of Korea near the military border line, were more than 180 fighter planes belonging to the U.S. Pacific Fleet and the Seventh Air Force.

On the 14th, thirteen reconnaissance planes of different types including overseas-based E-3 Awacs and U-2 committed espionage on the DPRK in the skies above the Military Demarcation Line [MDL].

Meanwhile, the South Korean puppets on the 13th and 14th fired 130 tank shells and 570 artillery shells and over 4,400 large-calibre machine-gun and automatic rifle bullets toward the forefront in the western and central sectors of the front.

On the 14th, a group of puppet army officers had a mock operation against the North in the area near the MDL in the western sector of the front. Earlier, on the 11th scores of officers went about combat positions in the area, inciting a war atmosphere to invade the North.

The U.S. imperialist warmongers and the Kim Yong-sam group must behave with discretion, squarely looking into the situation of the Korean Peninsula, which has been in a touch-and-go state owing to their war madness.

DPRK: ROK Defense Drill Said Part of 'War Frenzy'

*SK1506045796 Pyongyang KCNA in English
0428 GMT 15 Jun 96*

["Large-Scale 'Air Defence Drill' in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — The South Korean puppets staged an "air defence drill" throughout South Korea including Seoul on Friday [14 June], according to radio reports from Seoul.

The puppet Air Force, Army and Navy as well as the public were involved in the drill reminiscent of a war atmosphere allegedly to "cope with possible attacks from North Korea."

An exercise was held of intercepting a score of fighters and helicopters "posing as enemy planes" which roared through the skies above Seoul and 32 other cities. An ABC-warfare exercise also took place.

The "air defence drill" coincided with large-scale military manoeuvres against the North held on the ground and the sea and in the sky in South Korea almost every day.

This shows the Kim Yong-sam group are making more desperate efforts to seek a way out of the crisis in confrontation and war against the North.

They had better clearly see the trend of the times, act with discretion and cool their heads swollen with war frenzy.

DPRK Commentary Denounces Air Defense Drill in ROK

*SK1606074796 Pyongyang Korean Central
Broadcasting Network in Korean
1222 GMT 15 Jun 96*

[Commentary by Yun Pyong-son: "War Frenzy That Has Reached an Extreme"]

[FBIS Translated Text] As has been reported, on 14 June the South Korean puppets conducted a large-scale

air defense drill against us throughout South Korea. The puppets mobilized troops of the puppet Air Force, Army, and Navy, as well as the public, into the drill that day, allegedly to cope with possible attacks from someone. In the drill, the puppets flew a score of fighters and helicopters posing as enemy planes over 33 cities, including Seoul, and staged a commotion of intercepting them. At the same time, the puppets also staged a so-called drill to prepare for the spread of such things as chemical gas in case of chemical, biological, and radiological warfare.

This is an alarming commotion reminiscent of the eve of a war, and shows the reckless degree of the puppets' war frenzy. As everyone knows, an extremely dangerous situation is created on the Korean peninsula at present. The Kim Yong-sam ring, which has set up a five-stage operational plan for northward invasion called the 5027 Operation, is leading the situation further to the brink of war, conducting large-scale war exercises daily in the air, on the ground, and on the sea.

Moreover, the puppets, having turned the DMZ south of the Military Demarcation Line into an attack-launching position for northward invasion, are trying to find an excuse for the provocation of a war, habitually engaging in military provocations.

The launching mechanism for the provocation of a war of northward invasion has already been cocked. That the puppets conducted an air defense drill simultaneously in the entire area of South Korea, mobilizing the troops of the puppet Army, Navy, and Air Force, as well as the public, shows that war preparations are being accelerated at the final stage and that the provocation of a war for northward invasion is imminent. The Kim Yong-sam ring is attempting to light the fuse of war of northward invasion by all means.

This is proven by the fact that the puppets are further bent on arms build-up maneuvers, increasing the war budget for next year as much as 16.7 percent over that for this year and developing a new type of artillery with a range of 40 kilometers.

By conducting an air defense drill on an unprecedented large scale, the Kim Yong-sam ring has itself revealed to the world that it is they themselves who are scheming for the provocation of a war.

The puppets are raving about someone's attack. This is a deceptive excuse aimed at hiding the criminal nature of the war of northward invasion and their bellicose nature. The Kim Yong-sam ring, which blames others while they are attempting to light the fuse of war, is really shameless.

There has never been a South Korean ruling bunch that did not run wild in anticommunist confrontation and war provocation maneuvers, however, there have not been such warmongers as the Kim Yong-sam ring that turned the entire land of South Korea into a site for war rehearsal and conducted fire games of war, making public a plan for a war of northward invasion.

The Kim Yong-sam ring is a ring of national treachery and a ring of war maniacs without parallel.

The puppets' air defense drill is connected with the serious crisis in their rule. Although the puppets are stepping up fascist suppression, wielding bayonets, the people's struggle for independence, democracy, and reunification is heightened even more.

The puppet National Assembly is showing scenes of confusion and disorder, being crippled even before it is opened, and the conflict within the ruling group is deepening even further. The Kim Yong-sam ring is experiencing the worst crisis since it came to power, but they have no alternative or ability to tide over it. Therefore, the South Korean puppets conducted the war commotions, flying aircraft over cities in broad daylight and sounding sirens in an attempt to tide over the crisis in their rule by diverting the South Korean people's attention elsewhere.

However, North-South confrontation and war maneuvers cannot be a way out of the crisis; on the contrary, they will accelerate their self-destruction.

With the war fanatics remaining unremoved, the nation cannot be relieved from the danger of war for even one moment. Warmongers like the Kim Yong-sam ring should be removed resolutely. History and the people will never forgive the traitorous Kim Yong-sam ring which is attempting to drive the nation into the calamity of war, turning away from fellow countrymen and cooperating with foreign forces. The Kim Yong-sam ring had better act with discretion, seeing the general trend of the times squarely.

DPRK: NODONG SINMUN Denounces ROK's Air Defense Drill

SK1606071696 *Pyongyang KCNA in English*
0637 GMT 16 Jun 96

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — NODONG SINMUN today comments on the "joint air defence drill of the Army, Navy and Air Force" staged by the bellicose Kim Yong-sam group in Seoul on June 14.

We take a serious view of the fact that the Kim Yong-sam group staged one more provocative "air defence drill", going against the ardent desire of the

fellow countrymen for the peace of the country and its peaceful reunification, the analyst of the paper says, and continues:

The puppets made a hue and cry over "threat from the north", conducting the military drill allegedly to test a civil defence response to "any possible attacks" from the north. The clamour about non-existent "threat from the north" is a trite method of such warmaniacs as the Kim Yong-sam group who are trying to unleash another war against the North by inciting antagonism against the fellow countrymen and coiling up the tensions.

The Kim Yong-sam group, driven into a tight corner by the struggle of South Korean students and patriotic-minded, pro-reunification democratic forces for independence, democracy and reunification, are trying to find a way out of their crisis in further intensifying the "new security-oriented rule", fascist bayonet-brandishing, anti-DPRK confrontation and war preparations.

They have introduced various kinds of lethal weapons and equipment from the United States and other countries. And they are frantically staging war exercises against the North almost every day so as to get a complete mastery of their war methods.

The "air defence drill" is part of their planned military action to concretize their war design against the north.

We are following with sharpened vigilance the dangerous moves of the bellicose Kim Yong-sam group who are little concerned for the peace of the country and the security of the nation and who are running headlong toward the road of confrontation between the fellow countrymen, aggravation of tensions and ignition of another war.

They must ponder over the grave consequences to be entailed by their frantic military drills against the North and act with discretion.

DPRK: Radio Pyongyang Acclaims Proposal for Interim Agreement

SK1606081396 *Pyongyang Radio Pyongyang*
in Korean to South Korea 0900 GMT 15 Jun 96

[Unattributed talk from the "Hour for the South Korean Armed Forces" program: "Just Proposal for Peace Between the DPRK and the United States"]

[FBIS Translated Text] Officers and men of the South Korean Armed Forces: As you know, the government of our Republic advanced a proposal for establishing a new peace mechanism on the Korean peninsula two years ago and a proposal for signing an interim agreement between the DPRK and the United States

this past February. This is truly a just and reasonable proposal that we advanced, considering U.S. policy toward Korea, the present state of DPRK-U.S. relations, and the situation on the Korean peninsula, which is headed for an unpredictable phase. This is why this proposal is supported and welcomed by all fellow countrymen who love the country and peace-loving people of the world.

The great leader Comrade Kim Il-song has taught: Ensuring peace on the Korean peninsula and providing conditions for peace for the sake of the fatherland's reunification is what must be done at an early date to hasten the fatherland's reunification.

Peace is mankind's unanimous desire and aspiration. Moreover, peace is of particular significance to our country, where the sides hostile to each other are tensely confronting each other with massive forces on hand and where tensions prevail constantly.

Unless the problem of peace is resolved, the destiny of the nation cannot be saved, not to mention the fatherland's reunification. The Korean war of the 1950's has not ended, but has been suspended temporarily. Our Republic and the United States, which wears the hat of the UN forces, are in hostile warring relations [choktaejogin kyojon kwangye] with the Military Demarcation Line [MDL] between them.

In the almost half a century after armistice was established, the armistice system has not been replaced by a peace system, and warring relations have continued. In every respect, this is an abnormal and unhappy situation unseen in any other part of the world. There is a potential danger on the Korean peninsula that a war may break out anytime. However, there is no security mechanism that can prevent war. As a result, peace and security on the Korean peninsula are gravely threatened.

The Armistice Agreement has been reduced to a useless scrap of paper that can contribute nothing. Weapons of mass destruction are deployed not only in military facilities across South Korea, but also inside the DMZ south of the MDL. Moreover, military facilities are being openly built in areas a mere 100 meters away from the MDL. Even the supervisory organization that monitors the armistice has been destroyed.

Meantime, the bellicose elements of the U.S. military and the South Korean puppets have been more openly and gravely maneuvering to provoke a new war these days than at any other time. They have deployed massive aggression forces for actual combat purposes on the Korean peninsula and in its vicinity under the so-called pretext of a threat from the North or the possibility of its provocation, and almost daily they have

staged provocative games of fire for war in place of the Team Spirit joint military exercise. At the same time, the modernization of the U.S. Forces occupying South Korea and the arms buildup of the puppet Armed Forces have been accelerated tremendously.

The U.S. military elements and the South Korean puppets are perpetrating war maneuvers at a time when the DMZ south of the Military Demarcation Line [MDL] has turned into a position for starting a northward attack. Because of their war maneuvers, a dangerous touch-and-go situation has been promoted on the Korean peninsula.

All these facts show that we must provide a minimum institutional mechanism that prevents armed conflict and war. The proposal for signing a DPRK-U.S. interim agreement was made out of this realistic requirement. The interim agreement will play the role of a peace agreement until one is signed.

Even though the proposal by the government of the Republic is so realistic and reasonable, no progress has been made with regard to signing the agreement at present, when several months have passed since the new proposal was made.

Continuously perpetrating war exercise commotions without responding to the proposal for signing an interim agreement cannot be construed as anything else than intending to wage a war. If a war breaks out again on this land, it is our fellow countrymen who will shed blood. Anyone who was born and raised on this land and who has the slightest national conscience will not want the fatherland to turn into a wasteland — where only ashes are flying — and their parents and brothers shed blood and fall.

Ensuring peace on the Korean peninsula is an important problem concerning the destiny and future of the country and nation. Nevertheless, the Kim Yong-sam ring, without caring about the destiny of the country and nation, is frantically seeking its own interests and staging provocative war exercises with the backing of outside forces.

You, officers and men, must resolutely aim your rifles at the Kim Yong-sam ring, instead of being dragged into war exercises — that destroy peace on the Korean peninsula — by following in the footsteps of these nation-sellers and betrayers of the nation. Living this way is truly a righteous way for the country and your parents and brothers.

DPRK: Kim Yong-sam 'Clique' Brutally Suppressing Students

SK1506071896 *Pyongyang KCNA in English*
0438 GMT 15 Jun 96

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — A meeting of the students of Choson University in Kwangju, South Korea, for sistership relations with Kim Hyong-chik University of Education in Pyongyang was made abortive on June 14 owing to the brutal suppression by the traitorous Kim Yong-sam clique, a Seoul-based radio said.

That day hundreds of the university students gathered at the campus plaza. The Kim Yong-sam group hurled riot police of 17 companies into the campus.

When the students had planned to establish the sistership relations, the fascist clique claimed that it was a violation of the "National Security Law". And they watched for a chance to put it down.

The protesters threw flame bottles at the riot police and held a demonstration denouncing the Kim Yong-sam group for suppressing the meeting.

The brutal suppression fully reveals the true colors of the Kim Yong-sam group as traitors against reunification; it invites bitter condemnation and curses at home and abroad.

DPRK: MINJU CHOSON Criticizes 'Crackdown' on ROK Student Rally

SK1606081996 *Pyongyang KCNA in English*
0632 GMT 16 Jun 96

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The Kim Yong-sam fascist clique sent riot police of 17 companies to disperse a rally of students of Choson University in South Korea held to establish sister relations with Kim Hyong-chik University of Education in Pyongyang.

Commenting on this crackdown, MINJU CHOSON today says:

This is one more unpardonable anti-national, anti-reunification suppressive act to dampen the aspiration of the younger generation for reunification at the point of the bayonet and save the "civilian"-veiled fascist rule from the crisis.

Their plan to establish sister relations with Kim Hyong-chik University of Education is a righteous act to contribute to the cause of national reunification by frequenting contacts and tightening bonds between the students in the North and the South of Korea, which can never be a target of suppression in any case.

This suppression fully reveals the anti-national, anti-reunification nature of the Kim Yong-sam clique. It is an unpardonable challenge to the patriotic reunification movement.

With no bayonet-brandishing can the Kim Yong-sam group bar the struggle of students and people for independence, democracy and reunification.

They must put an immediate end to their suppressive acts against patriotic-minded students, clearly mindful that the frantic bayonet-brandishing will precipitate their own destruction.

DPRK: ROK's 'Fascist Outrage' Against Kwangju Students Decried

SK1706044296 *Pyongyang KCNA in English*
0336 GMT 17 Jun 96

["Anti-Reunification Fascist Outrage" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — A rally of the students of Choson University in Kwangju, South Korea, for sister relations with Kim Hyong-chik University of Education in Pyongyang was made abortive by the Kim Yong-sam group on June 14.

NODONG SINMUN today, commenting on this, says that that day the Kim Yong-sam group hurled riot police of 17 companies into the campus.

The analyst goes on:

This is a fascist outrage of the traitors against the reunification, who are trying to block, at the point of the bayonet, the establishment of relations between the students in the North and the South for national unity and reunification.

The South Korean students are trying to wage a joint struggle with their counterparts in the northern half of Korea for national reconciliation, unity and reunification. Their desire is quite just and patriotic in that it serves the nation and reunification.

The Kim Yong-sam group's brutal suppression of them is a bestial act that can be done only by a gang of hooligans and vicious enemies of the reunification, who only seek inter-Korean confrontation and fascist suppression.

The Kim Yong-sam group are hell-bent on sabre-rattling suppression, finding a way out of the crisis in fascist crackdown upon the students and people fighting for independence, democracy and reunification. Their act is as good as adding fuel to the fire. The preceding military dictators, who considered the fascist violence almighty, met a miserable end. The Kim Yong-sam fascist clique,

running wild in man-hunting, will face the same end as their predecessors did.

DPRK: NODONG SINMUN Decries ROK Suppression of Labor Movement

SK1506072196 Pyongyang KCNA in English 0441 GMT 15 Jun 96

[“S. Korean Puppets Hit for Suppression of Labour Movement” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — Of late the South Korean puppet Supreme Prosecutor's Office gave “district prosecutor's offices” an order to brand the righteous struggle of the workers for the right to existence and democracy as “illegal” and suppress it ruthlessly.

NODONG SINMUN today, commenting on this, says the recent suppressive order, which came in the wake of the fascist confab at a “meeting of offices concerned with public security” aimed at “removing” the pro-reunification democratic forces through the sabre-rattling fascist “new security-oriented rule”, shows that the Kim Yong-sam group are trying to find a way out of their serious ruling crisis in the brutal suppression of pro-reunification democratic forces and labour movement.

“Violence,” “violent demonstrations” and “movements for illegal strike” advertised by the Kim Yong-sam group are nothing but a pretext to justify and intensify their fascist suppression of the just struggle of the South Korean workers at the point of the bayonet.

The Kim Yong-sam group's brutal suppression of the labour movement will only precipitate their self-destruction.

They should put an immediate halt to the suppression.

DPRK: KCNA Reports on Trade Unions' 'Struggle' in ROK

SK1606081596 Pyongyang KCNA in English 0629 GMT 16 Jun 96

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The trade union of Hyundai Heavy Industries Co., Ltd. on June 13 decided to wage a more vigorous struggle with anger at the unjustifiable deed of the company side, a radio report from Seoul said.

At a meeting of interim union deputies, unionists discussed measures to more resolutely stand against the company side, which has foiled on ten odd occasions the negotiations on the draft collective agreement held from April last and decided to enter a strike.

In another development, the general federation of Hyundai Business Group Trade Unions, too, decided to hold a rally for winning victory in the matter of wage and collective negotiations and join in the strike on June 19.

DPRK: KCNA on 'Anti-Government' Struggle of ROK Workers, Students

SK1706042996 Pyongyang KCNA in English 0325 GMT 17 Jun 96

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — South Korean people and students have intensified their anti-“government” struggle, according to radio reports from Seoul.

Members of the Council of Representatives of Public Workers' Unions (Kongnodae) and students, some 6,000 all told, in a rally in Seoul on June 15 strongly demanded the immediate reinstatement of all dismissed workers, abrogation of anti-social wage policy and a halt to the subversive activities against democratic trade unions.

The chairman of the executive committee of Kongnodae denounced the Kim Yong-sam “civilian-veiled government” for trying to maintain evil labour laws and announced that five trade unions affiliated with it would start an overall strike on June 20.

Some 1,000 members of Kongnodae held a rally vowing to win in negotiations on wages for 1996.

Some 100 members of the National Federation of Democratic Trade Unions in a rally on June 14 urged the traitor Kim Yong-sam to promptly reinstate more than 250 dismissed workers in the public welfare domain before anything else. If the authorities truly want to reform labour-management relations, they must reinstate dismissed workers, the ralliers stressed.

On the same day, some 400 students under the Seoul District Federation of University Student Councils held a demonstration, demanding the immediate release of imprisoned students.

DPRK: ROK Trade Unions Declare Struggle for 'Right to Existence'

SK1706084596 Pyongyang KCNA in English 0840 GMT 17 Jun 96

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — The National Federation of Democratic Trade Unions of South Korea (Minjunochong) has reportedly declared it will stage a massive struggle for the workers' right to existence.

The organization defined cutback of working hours and reinstatement of dismissed workers as the target of joint struggle for this year and set the last twenty days of June as a period of massive struggle.

Chairman of the organization Kwon Yong-kil said on June 9 that his organization will make an "important decision" unless the "government" authorities and the employers as a whole show sincerity as to various issues including the halt to crackdown on public sector trade unions.

The organization decided that, if this demand is not accepted by the authorities until around June 20, it will sponsor rallies to be attended by more than 100,000 people throughout South Korea at a time and launch a powerful struggle and stage a solidarity walkout as well.

DPRK: KCNA Reports on Transport, Communications Talks With KEDO

SK1606070796 *Pyongyang KCNA in English*
0639 GMT 16 Jun 96

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — Experts' delegations of the DPRK and the KEDO (Korean Peninsula Energy Development Organisation) held negotiations in New York from April 16 to June 14 to sign protocols on communications and traffic needed for the implementation of the agreement on the provision of light-water reactors which was concluded in December last year under the DPRK-U.S. agreed framework.

The sides discussed and agreed on the protocols in conformity with the agreement on the provision of light-water reactors, relevant international law, international usage and the specific condition of the project.

The protocols are one more practical measure to implement the agreement on the provision of light-water reactors.

DPRK: Radio Reports on KEDO-DPRK Protocols on Communications

SK1606133696 *Pyongyang Korean Central Broadcasting Network in Korean*
1300 GMT 16 Jun 96

[FBIS Translated Text] Experts delegations of the DPRK and the Korean Peninsula Energy Development Organization, KEDO, held negotiations in New York, the United States, from 16 April to 14 June to sign protocols on communications and traffic needed for implementation of the agreement on the provision of light-water reactors, which was concluded in December last year, pursuant to the DPRK-U.S. agreed framework.

The sides discussed and agreed on the protocols on communications and traffic needed for the implementation of the agreement on the provision of light-water reactors, in conformity with the agreement on the provision of light-water reactors, relevant international law, international usage, and the specific condition of the implementation of the light-water reactor project.

The protocols are one more practical measure to implement the agreement on the provision of light-water reactors.

DPRK: ROK Patriotic Organization Supports Reunification Struggle

SK1706083996 *Pyongyang KCNA in English*
0833 GMT 17 Jun 96

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Members of the Patriotic Comradeship Society for Reunification in South Korea vowed to turn out more vigorously in the struggle to realize reunification in hearty response to the policy for national reunification put forward by the great leader President Kim Il-song, the Seoul-based radio Voice of National Salvation said.

The organization is active in Chonju, North Cholla Province.

Its members held on May 28 a forum supporting a declaration of the youth and students in the North, South and overseas for peace and great national unity and adopted a letter of pledge to conduct the reunification movement powerfully.

Chairman of the society Kim Chong-ho, addressing the forum, called for taking the lead in opening the chapter of national unity for peace and great national unity by holding on any account the August 15 joint meeting of youth and students and the 1st general meeting of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) in Seoul this year.

"General target of the reunification movement is to carry into practice the proposal for founding a confederal state advanced by President Kim Il-song, the eternal sun of the nation," he said, adding: "National reunification is sure to be realized because there is the reunification policy indicated by President Kim Il-song as reunification co-ordinates and General Kim Chong-il, the lodestar of reunification, is guiding the reunification movement in the van."

DPRK: Overseas Leaders, Parties Support Peaceful Reunification

*SK1706084396 Pyongyang KCNA in English
0838 GMT 17 Jun 96*

[All party leaders' names as received]

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Foreign party and state leaders expressed support to the Korean people's efforts for the peaceful reunification, when they met DPRK ambassadors to their countries.

Obiang Nguema Mbasogo, president of Equatorial Guinea, said he was very rejoiced over the fact that the revolutionary cause of the chuche pioneered by his excellency the respected President Kim Il-song is invariably carried forward and developed by His Excellency Kim Chong-il, the great leader.

The government and people of Equatorial Guinea will always support the just cause of the Korean people for achieving peace and reunification on the Korean peninsula, he stressed.

Fayiz Ismail, secretary general of the Arab Socialist Unionist Party of Syria, noted that the third world countries should learn from the experience of the DPRK in order to win in today's struggle.

The Syrian policy of supporting the DPRK will not be changed under any condition and situation, he added.

Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru, said that the friendly and cooperative relations between the Workers' Party of Korea and the Socialist Political Action Party of Peru will invariably continue to develop.

Emile Kibala Bey a Nsien, national chairman of the Workers' Party of Zaire [WPZ], noted that the WPZ and progressive political forces of Zaire fully favored the initiative and efforts of the DPRK to establish a new peace mechanism.

DPRK: Radio Says Kim Yong-sam's 'Collapse' a 'Matter of Time'

*SK1506104996 Pyongyang Korean Central
Broadcasting Network in Korean
0754 GMT 15 Jun 96*

[Unattributed talk: "The Traitor Kim Yong-sam Is a Most Vicious, Pro-U.S., Flunkeyist Nation-Seller"]

[FBIS Translated Text] There is material revealing that in the ROK [hanguk] Government, officials from the president on down to those in the lowest echelons of the Foreign Ministry are merely following the timetable provided by the United States according to the condi-

tioned reflex of their cerebellum [sonoeui chokon pansae ttara], instead of moving to the order of their brains. They are engrossed with managing their expressions by reading the U.S. face, twisting up or softening their faces in order to keep step with the U.S. position. How long will the ROK leave its destiny in another's hand?

This remark was made by a high-ranking official in the puppet foreign ministry in South Korea. His remark exposes the true aspect of the situation of the malformed and abnormal colonial puppet regime and of the treacherous flunkeyist regime in South Korea, which is without the slightest degree of independence or political sovereignty and which moves only by reading the face of the big country, their imperialist masters.

The successive South Korean rulers were, all in all, flunkeyist nation-sellers who sold out the interests of the nation and the people. However, the Kim Yong-sam puppet clique is a group of the most vicious [kajang kugakhan] flunkeyist national traitors. This is shown by the fact that the Kim Yong-sam group even canceled plans to remove the U.S. base in Yongsan, Seoul, which had been agreed to by its preceding rulers and the United States.

The South Korean people call Yongsan, located in the center of Seoul, the No. 1 colony, the land symbolizing hell, and a smaller edition of colonial South Korea. They call it so because the U.S. imperialist aggressor forces are headquartered in this area.

In recent years, the South Korean people, considering the location of the headquarters of U.S. imperialist aggressor forces in the center of Seoul a national shame, struggled in demand for its removal.

Terrified by the people's fierce anti-U.S. struggle for independence, which was increasing daily, the former military dictators solicited their masters to move the Seoul Yongsan base to another place by 1997. When the United States was reluctant to respond to this, the puppets entreated their masters to remove the U.S. base, claiming that South Korea would bear all the expenses required for the removal, amounting to tens of thousands of dollars. As a result, the puppets and their masters reached an agreement on removing the U.S. base.

Nevertheless, the Kim Yong-sam group, babbling about the problems of cost, the new place, and so forth, announced that it would hold off on the issue of moving the U.S. Yongsan base for the time being, and that it would postpone the removal until after 2000. Following this, the Kim Yong-sam group finally canceled the plan itself.

In addition, the Kim Yong-sam group, not satisfied with opening South Korean markets to multinational foreign

enterprises, even opened up South Korean rice markets. Thus, the Kim Yong-sam group fully exposed its color as ugly, atrocious, flunkeyist nation-sellers.

It was clear to everyone that the opening of rice markets in South Korea would not only sever the lifeline of millions of farmers and reduce farm land to waste land, but would also bring serious and irretrievably catastrophic effects to the overall economic domain.

This is why the preceding South Korean puppet rulers, who were experts in flunkeyist nation-selling acts, could not even conceive of the idea of opening rice markets.

However, the traitor Kim Yong-sam, who raved that he would keep the rice market closed, even at the risk of the presidency, opened the whole rice market in South Korea to outside forces as soon as he came to office, thus committing a treacherous act without hesitation.

The background, in which the puppet traitor Kim Yong-sam made a bargain with the U.S. masters when he was selling off the rice market, is even more disgusting. The traitor Kim Yong-sam begged the U.S. masters to enact sanctions against fellow countrymen in a bid to smear and crush them, on the pretext of nuclear suspicions in the North. He voluntarily pledged to open the whole rice market in South Korea in return for such sanctions.

After selling off the rice market, the rascal [nomun] even made a shameless sophism that what he would gain is greater than what he would lose. This being the rascal's nature, he went so far as to propose the preposterous gibberish that although the cost of the northward aggressive war exercises, which are repeated every three days, are borne jointly by the United States and South Korea, South Korea gains more of the benefits, because in actuality a greater number of the puppet troops are participating in playing with fire than are U.S. troops.

Not satisfied with the fact that he turned over South Korea to U.S. imperialists as a colony by flattering them in various ways while clinging to their sleeves, the traitor Kim Yong-sam is running amok to drive our nation into a calamity of nuclear war by outside forces.

Indeed, the traitor Kim Yong-sam is a special class of flunkeyist nation-seller and national traitor who sold off the whole interest and dignity of the nation and people and who bound South Korean people more tightly to the yoke of domination and subjugation by outside forces.

Because there is such a flunkeyist national traitor like Kim Yong-sam, the South Korean people have been forced into a destiny of miserable colonial slaves and fellow countrymen who cannot live peacefully.

With the enormous crimes he himself committed, the Kim Yong-sam group is subject to denunciation and has become a target to be overthrown.

It is a matter of time before the traitor Kim Yong-sam, who is sustaining his life by relying on outside forces, will collapse.

DPRK: KCNA Criticizes ROK Economic Performance Under Kim Yong-sam

*SK1506090096 Pyongyang KCNA in English
0830 GMT 15 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — With the traitor Kim Yong-sam's "new economy plan" falling to pieces, South Korea's bubble economy has proved a total fiasco.

The three years of the South Korean economy after the appearance of the "civilian" regime has fully revealed that he is, in actuality, more treacherous and anti-social than the preceding military dictatorial regimes in pursuing the "new economy" policy.

The Kim Yong-sam group has further based the South Korean economy on foreign capital.

Foreign capital, introduced into South Korea in such a way as loan, direct investment and stocks, was more than double in late 1995 the figure in late 1992, with stocks ballooning to d [dollars] 40 billion from d10 billion.

The unfettered expansion of comprador chaebol (business conglomerates) and bankruptcy of minor businesses in South Korea have brought the anti-social nature of the "new economy" policy into bolder relief.

Over the past three years 65 more serial businesses of thirty conglomerates have been established, doubling the output value of the business giants and increasing their yearly profit earnings five times. But 15,000 minor enterprises went bankrupt en masse in 1995 alone.

In 1993 when the traitor Kim came to power, more than 9,500 minor businesses went to rack and ruin. The number of bankrupt companies has been ever increasing.

With agriculture devastated still further, over 207,700 hectares of rice paddies have been laid waste in recent years.

Since the traitor took office, more than one million people have left the countryside and the self-sufficiency rate in food fell to 28 percent in 1995 from 35.2 percent in 1992.

The reactionary and hypocritical nature of the "new economy" policy can be seen also in the increasing trade gap.

The trade deficit has widened to d1,560 million in 1993, d6,300 million in 1994 and d10,061 million in 1995.

In the first four months this year the trade deficit reportedly soared to d5,870 million, almost the same with the estimate for this year.

The traitor Kim's policies of "liberalization" and "autonomy" will render the economic crisis all the more serious.

DPRK: Literature Praising Kim Chong-il 'Distributed' in South

*SK1606075396 Pyongyang KCNA in English
0618 GMT 16 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — Literature reflecting reverence for the great leader Comrade Kim Chong-il was distributed to villages at the foot of Mt. Pongdu in Koksong County, South Cholla Province, on May 20 and 21, according to Seoul-based radio Voice of National Salvation quoting information of the South Cholla Provincial Committee of the National Democratic Front of South Korea.

Written on the literature as large as a postcard, which was distributed to every house at villages in the name of the fellow farmers' society for new hope, are the following words:

"Fellow farmers, who have been forced to do back-breaking labour in devastated farmland with no benefit of medical insurance and no education of their children.

Let's staunchly live with a hope for the future of a reunified country, not lamenting over the present ill-fated plight. In the North within a hailing distance, farmers are enjoying happiness and comfort under the politics of love shaped by General Kim Chong-il.

The general is the sun of love that has turned the countryside of the North into civilized and rich one and provided the peasants with a happy life.

Let all of us believe in and follow him as our mental pillar.

Let's live, looking forward to a beacon of hope in the North where General Kim Chong-il is administering politics." [quotation marks as received]

DPRK: MIA Talks With U.S. Conclude; U.S. Delegation Departs

*SK1506111496 Pyongyang KCNA in English
1104 GMT 15 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — DPRK-U.S. talks on the matter of digging for the remains of U.S. servicemen missing in action (MIA) in the northern half of Korea in the period of the last

Korean war were held in Pyongyang from June 10 to 14.

The DPRK working delegation was composed of officials of the Panmunjom mission of the Korean People's Army (KPA) and the foreign ministry with the deputy chief of the KPA Panmunjom mission as its head and the U.S. working delegation was composed of officials of the departments of defense and state with the deputy director of the defense Prisoners of War and Missing in Action Office as its head.

At the talks the two sides had discussions on working matters concerning the work of digging for the remains of U.S. servicemen in the humanitarian spirit and adopted an agreement, as they had agreed in New York on May 9.

Under the agreement, the excavation work will take place once in July and once in September.

The U.S. side agreed to supply all necessary equipment and materials for the excavation work and to make enough compensation to the Korean side for all the expenses incurred by its excavation of the remains of U.S. servicemen.

The two sides expressed the expectation that the agreement will contribute to building confidence between the DPRK and the U.S. and promoting the relations between them.

The U.S. delegation left Pyongyang on June 15.

DPRK: Foreign Ministry Delegation Returns Home From PRC

*SK1506075796 Pyongyang Korean Central
Broadcasting Network in Korean
1300 GMT 14 Jun 96*

[FBIS Translated Text] A delegation of our country's foreign ministry led by Vice Foreign Minister Choe U-chin, which had visited China, returned home by train on 13 June.

The delegation was met at the Pyongyang Railway Station by officials concerned and the interim PRC charge d'affaires to our country.

DPRK: Hwang Chang-yop Meets Chinese, Japanese Delegations

*SK1706100696 Pyongyang KCNA in English
1002 GMT 17 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Secretary Hwang Chang-yop of the Central Committee of the Workers' Party of Korea today met and had a friendly talk with a visiting delegation of the Chinese

People's Association for Peace and Disarmament led by its Vice-President Lin Huaxuan.

The head of the delegation said that the Korean people under the guidance of the great leader Comrade Kim Il-song and the respected Comrade Kim Chong-il have achieved many successes in the building of Korean-style socialism.

The Sino-Korean friendship, he noted, was forged and fostered by the great leaders of the two peoples, Comrade Kim Il-song and Comrades Mao Zedong and Zhou Enlai and other Chinese revolutionaries of the old generation. The Chinese people will value and make every possible effort to strengthen and develop it down through generations, he added.

On the same day, Secretary Hwang Chang-yop had a conversation with chairperson of the International Affairs Institute for World Peace in Japan Kaoru Nakamaru.

DPRK: MINJU CHOSON Urges Japan To 'Liquidate' Past Crimes

*SK1506090796 Pyongyang KCNA in English
0837 GMT 15 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — MINJU CHOSON today in a by-lined commentary says that the Japanese authorities should honestly liquidate the past crimes of the Japanese imperialists.

Recalling that Seisuke Okuno, former minister of justice, and Tadashi Itagaki, member of the House of Councillors, sought to legalize and justify the issue of the "comfort women for the army" by insisting that the comfort women were recruited in a "commercial activity and were not forced," the news analyst says:

Their remarks are considered not to be an expression of their individual position.

This was motivated by the unreasonable position and misconduct of the Japanese authorities trying to evade a state apology and compensation for the past crimes and to justify their history of aggression.

The present Japanese authorities are denying the history of aggression as the former successive authorities did and attempting to gloss over the "comfort women for the army" issue through the "national fund".

The Japanese authorities are resorting to a superficial trick to shirk their state responsibility for the comfort women issue onto a private body and replace the compensation issue with a charitable moral matter.

History cannot be denied by anyone.

The Japanese authorities should clearly know that if they fail to liquidate the past crimes, they will be more bitterly condemned and rejected by the world people who love justice, progress and peace.

DPRK: Youth, Students Set Off on March to Mt. Paektu

*SK1606075496 Pyongyang KCNA in English
0621 GMT 16 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — An excursion march of young people from across the country toward the great leader Comrade Kim Chong-il's old home in the secret camp on Mt. Paektu has begun at the significant time 40 years after he pioneered an excursion to the Mt. Paektu revolutionary battle sites.

The marchers consist of working youths, students of universities and colleges and senior middle school children and youth league officials, more than 2,100 all told.

This march is of weighty significance in deeply grasping the revolutionary idea and immortal exploits of the great leader President Kim Il-song and in training themselves firmly to be true young vanguards and juvenile guards, who defend the respected General Kim Chong-il with their bodies, following the anti-Japanese revolutionary forerunners' steadfast, revolutionary outlook on the leader and their indomitable revolutionary spirit.

A starting ceremony of the march took place in front of the monument to the victorious Pochonbo battle in the city of Hyesan, Yanggang Province, on Saturday.

The participants laid floral baskets and bouquets and made bows before the statue of President Kim Il-song standing there.

Then the marchers started the march to the Mt. Paektu secret camp, a sacred land of the revolution, carrying the flags bearing portraits of President Kim Il-song and Comrade Kim Chong-il and march flags amid the good send-off of youth and children in the city.

DPRK: Chongnyon Organizations Decry Japan's 'Franchise' Campaign

*SK1706084796 Pyongyang KCNA in English
0844 GMT 17 Jun 96*

[FBIS Transcribed Text] Tokyo, June 15 [date as received] (KNS-KCNA) — Struggle against "franchise" campaign has been continued by all organizations of the General Association of Korean Residents in Japan (Chongnyon).

Representatives of the Nagano Prefectural Headquarters of Chongnyon, in a press conference, charged that

the granting of "franchise" is intended to cover up the discrimination against the Koreans in Japan. The "franchise" campaign is not a reflection of the will of Koreans in Japan.

The Aomori Prefectural Headquarters of Chongnyon, in a statement, denounced the "franchise" as the one making the national identity ambiguous on the plea of the "internationalization" and assimilating the Koreans in Japan to Japanese society.

The Bunchi Branch of the Tokyo Metropolitan Headquarters of Chongnyon formed a 10 odd-member delegation. The delegation separately called on the chairman of the Bunkyo-ku Assembly and general secretaries of the New Frontier Party, the Liberal Democratic Party and the Komei Party and handed them a letter and manifested the stand of Chongnyon opposing the "franchise."

The Hiroshima Prefectural Headquarters and the Iwakuni Branch of the Yamaguchi Prefectural Headquarters of Chongnyon also exposed the reactionary nature of the "franchise" campaign conducted by some evil-minded officials of the South Korean Residents Association in Japan (Mindan).

DPRK: Radio Reports Arrival of DPRK SPA Delegation in Lima

*SK1506143196 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 11 Jun 96*

[FBIS Translated Text] A delegation of our country's Supreme People's Assembly (SPA) led by Yang Hyong-sop, chairman of the SPA, arrived in Lima, the capital of Peru, on 9 June.

The delegation was greeted at the airport by a representative of the speaker of the National Assembly of the Republic of Peru, the chief protocol officer of the Assembly, and our country's ambassador to Peru.

DPRK: SPA Delegation Meets Cuban Foreign, Trade Ministers

*SK1706033496 Pyongyang Korean Central Broadcasting Network in Korean
1100 GMT 11 Jun 96*

[FBIS Translated Text] A DPRK Supreme People's Assembly delegation led by Chairman Yang Hyong-sop stayed in Cuba from 6 to 9 June. During its stay, the delegation met and talked with Cuban Foreign Minister Roberto Robaina and Foreign Trade Minister Ricardo Cabrisas in a friendly atmosphere. Also, the delegation visited Jose (Marce) Museum at the Revolution Square in Havana and looked around tourist attractions in (Matan Sasoju) and (Baradere). The delegation departed

from Havana after winding up its visit to Cuba on 9 June. Cuban officials in charge of external affairs of the National Assembly of People's Power, other functionaries of sectors concerned, and the DPRK ambassador to Cuba saw them off at the airport.

DPRK: Peru Prime Minister Meets SPA Head Yang Hyong-sop

*SK1506072296 Pyongyang KCNA in English
0421 GMT 15 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — "The Peruvian people hope that the Korean people will make greater success in their future struggle under the energetic guidance of his excellency the respected Kim Chong-il."

Peruvian Prime Minister Alberto Pandolfi said this on June 11 when he, authorized by President Alberto Fujimori Fujimori, met with a delegation of the DPRK Supreme People's Assembly headed by Chairman Yang Hyong-sop.

The prime minister said Korea, guided by the wise leader, has been making signal achievements in its efforts for social progress and prosperity.

"We are well aware that His Excellency the Respected Kim Chong-il, who is carrying forward the cause of His Excellency the Great President Kim Il-song, guides all state affairs in Korea," he added.

He said that His Excellency the Great Leader Kim Il-song, though he passed away, is always alive in the hearts of people and is still leading the Korean people's struggle to victory.

DPRK: Foreign Ministry on Planned G-7 Summit Discussion of Korea

*SK1706003196 Pyongyang KCNA in English
0005 GMT 17 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — A rumour is afloat that the Korean issue will be discussed at a summit meeting of seven western countries to be held in Lyons, France.

The spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by a KCNA reporter on June 17 in this regard.

He said:

A series of matters, including the situation on the Korean Peninsula, will reportedly be discussed in depth at a summit meeting of the seven western countries this year.

We pay due attention to this.

As already known to the world, there has been created a touch-and-go situation in Korea because of reckless acts of some bellicose elements so that a war may break out any time.

It is entirely thanks to the patience of the DPRK that peace is preserved on the Korean Peninsula under the unstable situation.

It is of weighty importance for peace and security in Northeast Asia and the rest of the world to prevent war and achieve a lasting peace on the Korean Peninsula.

Some bellicose elements, however, are trying to use the Korean issue for their immediate political strategem at international gatherings.

Their provocative schemings add fuel to the hatred of the Korean people and the People's Army for them.

The preceding summit meetings of the seven western countries never helped ease tensions on the Korean Peninsula and achieve peace and peaceful reunification of Korea. [sentence as received]

We will see with vigilance whether the planned summit meeting will help relax tensions on the Korean Peninsula or bring about an opposite result.

DPRK: KPA Officer Hails Kim Chong-il's Visit to Naval Unit

SK1506085396 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 13 Jun 96

[FBIS Translated Text] On receipt of the news that the respected and beloved supreme commander Comrade Kim Chong-il visited the 853d naval unit of the Korean People's Army [KPA] on Navy Day and congratulated the marines following his visit to the construction site of the Kumgangsan Power Station, whose construction is nearing its completion, all the people and the officers and men of the People's Army are filled with great gratitude.

Comrade Ko Chong-chol, a KPA officer, says, "On receiving the news that the respected and beloved supreme commander Comrade Kim Chong-il visited the 853d naval unit of the KPA on Navy Day and congratulated the marines, the soldiers of our People's Army were overwhelmed with gratitude. The respected and beloved comrade supreme commander visited the construction site of the Kumgangsan Power Station yesterday and encouraged the soldiers participating in the construction, and on receiving this news all the people and all the officers and men of the People's Army were filled with gratitude and were very grateful for his on-the-spot guidance to the KPA unit defending

the east coast area. Moreover, the respected and beloved comrade supreme commander was with us soldiers on lunar New Year's day and Army Building Day. Then he visited scenic spots, such as Yongmun Cavern and Mt. Chilbo, with boundless love for the people.

"We cannot help but be grateful to the respected and beloved supreme commander for his immortal energetic efforts in his continual on-the-spot guidance to People's Army units. There has never been such an episode in the world, in any country's history, where the supreme commander of an army visited a guardpost located on the front line, confronting the enemy face to face, or where he made painstaking and energetic visits to the guardposts of air, ground, and naval forces.

"The officers and men of our People's Army resolutely state that our respected and beloved supreme commander General Kim Chong-il is the only such Army leader and supreme commander. Because we uphold such a great and benevolent supreme commander, the ties between the supreme commander and the soldiers are firm, and our People's Army is displaying its might as the invincible strong army of the world.

"The on-the-spot guidance of the respected and beloved comrade supreme commander to the 853d unit of the KPA Navy is very significant in strengthening and developing our People's Army and in solidifying further the wholehearted unity between the supreme commander and the soldiers. As a functionary who is contributing to the ideological indoctrination work for the soldiers, I firmly pledge to do my utmost to ensure that all soldiers are prepared more firmly to be the rifles and bombs to defend the nerve-center of the revolution [hyongmyongui sunoebu] headed by the great Comrade Kim Chong-il [widaehan kimjongil tongji] at the cost of their lives and that our People's Army fulfills its honorable mission and sublime duty as the Army of the leader, the Army of the party, and the Army of the people."

DPRK: Rally of Soldiers Held at Kumgangsan Power Station

SK1706081396 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 13 Jun 96

[FBIS Translated Text] The construction site of the Kumgangsan Power Station, where a monumental edifice of eternal value that will be handed down eternally with the era of the Workers Party is being built on a grand scale, is vibrated with the boundless loyalty and revolutionary enthusiasm of heroic People's Army soldiers and builders.

On 10 June, the 10th anniversary of the great leader's [widaehan suryongnim] presentation of the plan to build the Kumgangsan Power Station and his formation of the construction team, soldiers and builders had the highest honor and happiness of taking commemorative pictures with Comrade Kim Chong-il, the respected and beloved supreme commander, at the construction site that is nearing completion. These soldiers and builders have boldly stood up in the worthwhile struggle to finish the second-stage construction ahead of schedule.

On 12 June, when new miracles and innovations were being created at the entire construction site and when the hot wind of the speed battle was blowing strongly, a rally of soldier and builders took place at the construction site to deliver thanks from Comrade Kim Chong-il, the respected and beloved supreme commander, and thoroughly implement the tasks he had given at the battle site.

Relevant officials, soldiers and men of the Korean People's Army (KPA), and builders attended the rally.

Thanks from KPA Supreme Commander Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and our people, were delivered amidst the enthusiastic applause from the participants.

In addition, KPA Lieutenant General An Pi-tok delivered a report, followed by debates. The speakers said that the respected and beloved comrade supreme commander paid a call on the builders of the Kumgangsan Power Station, without forgetting them, despite his busy schedule for on-the-spot guidance for People's Army units that were defending the fatherland's defense lines; learned the details of the construction of the power station for a long time; entered the the completed canal tunnel to inspect the state; and elucidated ways for building the power station.

They also said that the respected and beloved comrade supreme commander elucidated directions and methods for building the power station, wisely led the soldiers and builders to bring about brilliant accomplishments, and extended his warm love to them.

They also said that the on-the-spot guidance of the respected and beloved comrade supreme commander at the Kumgangsan Power Station was the source of giving great courage to soldiers and builders who were vigorously carrying out the construction battle and encouraged and led them to create new miracles and accomplishments. They also said that all builders had stood up resolutely and vigorously to implement the tasks given by the great general.

The speakers stressed that all soldiers and builders must fully display the militant spirit of the one-a-match-for-

100 KPA and the heroic spirit of the DPRK working class; finish the construction of the Kumgangsan Power Station soon; and give a report of loyalty to Comrade Kim Chong-il, the respected and beloved supreme commander, thus contributing to the development and prosperity of our country and our fatherland.

A letter of resolve to Comrade Kim Chong-il, the respected and beloved supreme commander, was adopted at the rally.

DPRK: Yi Chong-ok, Pak Song-chol, Others Visit Kumgangsan Station

*SK1706083696 Pyongyang KCNA in English
0829 GMT 17 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Senior officials of party and government on June 16 visited the Kumgangsan Power Station, a large-scale power production centre, the construction of which has reached the stage of completion.

The power station, which is being constructed on the east coast of Korea according to the chuche-based method of hydraulic resource development, is the largest-in-scale power station which will turn out much electricity by using the water of rivers and streams flowing through vast areas of Kangwon Province.

Ten years ago, the great leader President Kim Il-song indicated the task of building a hydraulic power station of Korean style in Kangwon Province, which has much precipitation, and formed a powerful construction force for this purpose. Since then he gave highly important teachings on more than 80 occasions and indicated how to make a rational use of much water which would be stored in various places for agricultural production.

KPA [Korean People's Army] soldiers and builders completed the project of laying a waterway extending more than 40 kilometres in a few years by giving full play to the revolutionary spirit of self-reliance and hard struggle, mass heroism and lofty self-sacrificing spirit, revolutionary comradeship and the noble trait of unity between superiors and subordinates. By doing so, they completed the first-stage project in the main.

Some time ago, the great leader Comrade Kim Chong-il, respected supreme commander, inspected the construction site of the power station and said that the station is a great and gigantic edifice of the present time of which we can be proud before the world. The revolutionary spirit displayed by KPA soldiers must be followed, he added.

Visitors included Vice-Presidents Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the

Central Committee of the Workers' Party of Korea, and other senior party and government officials.

The visitors heard an explanation about the construction of the power station and saw dams, the intake channel and others.

And they inspected the 40-kilometre waterway tunnel linking more than 10 rivers of three counties, which was visited by Comrade Kim Chong-il, as well as a lengthy water-conducting tunnel, a large-scale pressure-control canal, a transformation station and a generating room. The preparations for the first-stage commissioning of the generating room have reached the final stage.

The visitors met KPA soldiers to encourage them to effect greater innovations in the spirit and stamina they had displayed in the first-stage project.

The visitors resolved to devote all their wisdom and energies to the acceleration of production and construction in the revolutionary fighting spirit of KPA officers and men with a high degree of awareness and responsibility that they are leading members of the revolution.

The People's Army soldiers hardened their determination to step up the construction of the power station, bearing deep in their minds the deep trust and loving care shown by the respected supreme commander, thus successfully implementing the teachings of President Kim Il-sung on steadily increasing the output of electricity and greatly contributing to making their country and motherland more prosperous.

DPRK: Red Cross Official Describes North's 'Severe Malnutrition'

OW1506123096 Hong Kong AFP in English
1204 GMT 15 Jun 96

[By Silvia Cavallini]

[FBIS Transcribed Text] Beijing, June 15 (AFP) — A Red Cross official in Pyongyang on Saturday [15 June] said old people in North Korea are suffering from severe malnutrition as they give up their rations to children struck by famine-related measles and diarrhoea.

Food shortages are still "extremely bad," following devastating flooding last year, and reports from the worst-affected far north say starving people are cutting down trees to sell across the Chinese border for food. Geoff Dennis, Pyongyang representative of the International Federation of Red Cross and Red Crescent Societies, warns of the "strong possibility" such deforestation will cause "serious soil erosion and flooding."

Flooding following last August's heaviest rainfall in memory affected 5.2 million people and devastated

400,000 hectares (988,000 acres) of farmland, according to Red Cross estimates.

And although the harvest this October "looks quite good, it will naturally be down as quite a percentage of the land is totally ruined," Dennis said by telephone from Pyongyang. "What was agricultural land is reduced to rubble."

Agencies are concerned about outbreaks of measles and diarrhoea among children "directly caused by dietary problems" and reports that malnutrition among elderly people is worsening as they give their already reduced food rations to children.

The elderly's "vulnerability to vitamin deficiencies and disease" is increasing," he said.

Meanwhile foreign governments are finding it hard to cough up funds for a famine they cannot see, in a country that reviles them with Cold War terms such as "imperialists," and "puppets."

"We have only received 35 percent of the five million dollars we need to cover emergency activities until October," Dennis said, adding that the Dutch and British governments had recently made some donations.

"It is only enough for three small bowls of rice a day," some 450 grams for the 130,000 people the Red Cross has identified as being most in need, he said.

Recently some people have been able to supplement their diet with the first cabbages of the season, but most have nothing and can only forage for roots and tree bark.

"We would like to give them some vegetable oil, but we don't have enough money," Dennis said.

Rumours that the military is stockpiling foreign rice aid destined for civilians have not helped, although Dennis said "at least in the case of the Red Cross" he had absolutely no evidence of stockpiling.

It is a famine that has brought to Western television screens no wallet-opening images of starving children, no gaunt figures with the parchment-like skin of the starving.

The Red Cross wants the reclusive North to allow foreign media to witness the famine first-hand, although Dennis said Pyongyang was left with a sour taste in its mouth by the last such foray a few months ago.

Foreign media "covered more than the famine," sniffing around for political and military stories instead of concentrating on a human tragedy "that has nothing to do with politics," he said.

"The result was not positive as far as funding was concerned" and left Pyongyang asking "What's the point?" he said.

Nevertheless he said he was optimistic some foreign media would be allowed into the North in a few weeks.

Meanwhile the Red Cross was to start distributing Monday and Tuesday 1,755 tonnes of rice to the 130,000 North Koreans it has identified as being in the greatest need out of a group of 500,000.

DPRK: Youth, Students Set Off on March to Mt. Paektu

*SK1606075496 Pyongyang KCNA in English
0621 GMT 16 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — An excursion march of young people from across the country toward the great leader Comrade Kim Chong-il's old home in the secret camp on Mt. Paektu has begun at the significant time 40 years after he pioneered an excursion to the Mt. Paektu revolutionary battle sites.

The marchers consist of working youths, students of universities and colleges and senior middle school children and youth league officials, more than 2,100 all told.

This march is of weighty significance in deeply grasping the revolutionary idea and immortal exploits of the great leader President Kim Il-song and in training themselves firmly to be true young vanguards and juvenile guards, who defend the respected General Kim Chong-il with their bodies, following the anti-Japanese revolutionary forerunners' steadfast, revolutionary outlook on the leader and their indomitable revolutionary spirit.

A starting ceremony of the march took place in front of the monument to the victorious Pochonbo battle in the city of Hyesan, Yanggang Province, on Saturday.

The participants laid floral baskets and bouquets and made bows before the statue of President Kim Il-song standing there.

Then the marchers started the march to the Mt. Paektu secret camp, a sacred land of the revolution, carrying the flags bearing portraits of President Kim Il-song and Comrade Kim Chong-il and march flags amid the good send-off of youth and children in the city.

DPRK: Agricultural Expert on Completion of Rice Transplanting

*SK1706063496 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 15 Jun 96*

[FBIS Translated Text] Agricultural workers and supporters across the country who had vigorously accelerated the rice transplanting battle of this year registered the proud success of completing rice transplanting yesterday [15 June].

Station reporter Kim Chol-sik met Comrade Kim Chung-pae, responsible instructor [chaegim chidowon] of the Agricultural Committee.

[Begin recording] [Kim Chung-pae] Agricultural workers and supporters across the country who had vigorously accelerated the rice transplanting battle of this year by displaying the spirit of the arduous march registered the success of completing rice transplanting for a bumper year on 15 June. The units that showed a fine example in rice transplanting for a bumper year include the Mangyongdae District state-run farm in Pyongyang; cooperative farms in Sadong-kuyok, Pyongyang City; and the Chungsan cooperative farm in Kangso-kuyok, and the Oktol cooperative in Yonggang County. These units went far ahead of other cooperative farms across the country, registering the success of completing rice transplanting.

Cooperative farms in [word indistinct] city in South Pyongan Province; cooperative farms in Munchon City and Chonnae County in Kangwon Province; cooperative farms in Hongwon County, Hochon County, Simpo City, and (Anpyong) City in South Hamgyong Province; cooperative farms in Myongchon County, Kyongsong County, and Onsong County in North Hamgyong Province; cooperative farms in Sariwon city and Pongsan County in North Hwanghae Province; and cooperative farms in Unchon County, Anak County, and Paechon County in South Hwanghae Province have registered the proud success of completing rice transplanting more than 30 days ahead of schedule.

These units did rice transplanting by more than 4 to 9 percent of the total rice paddies everyday by properly planning and coordinating labor organizations and enhancing the rate of the utilization of machines to the maximum.

Also, many other cooperative farms in [word indistinct] County and reclaimed tideland areas overfulfilled their daily rice transplanting quotas by displaying the spirit of the arduous march and by surmounting all sorts of difficulties. In other words, since the beginning of their rice transplanting battle, all of these units

have vigorously waged their rice transplanting battle, displaying the spirit of the arduous march.

The zeal of our agricultural workers in rice transplanting work is very high. They are filled with the burning zeal to effect a decisive turn in this year's grain production by vigorously waging the rice managing work without slackening the mettle they displayed during their rice transplanting battle.

We will see to it that they properly plan and coordinate the farming process, including weeding work, in the future so that they achieve a bumper harvest this year without fail. [end recording]

DPRK: NODONG SINMUN on Education of People in Socialist Ideology

SK1706071396 *Pyongyang KCNA in English*
0424 GMT 17 Jun 96

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — The Workers' Party of Korea (WPK) has been training the party members and working people to be genuine revolutionaries of chuche type, giving precedence to ideological education at all times.

NODONG SINMUN Sunday said this in a signed article.

It is for the people as well as love for them for the working-class party to arm all social members with socialist ideology, the article noted, and went on:

The working-class party's ideological education in socialist society is its great love for the people, because the socialist ideology is a powerful weapon for human emancipation and ideological liberation which rears the popular masses to be independent human beings with independent ideological consciousness.

Arming the people with independent consciousness and awakening them ideologically is the greatest love for them, and paralyzing people's independent consciousness and degenerating them ideologically is the biggest crime against the people.

Socialist ideology is one of the highest stage in the development of independent ideological consciousness.

As the socialist ideology is most revolutionary in defending and realizing the independence of masses, it offers people a way for steady ideological and mental development.

Only when the masses are firmly armed with socialist ideology under the socialist system can they materialize their demand for independence, completely free themselves from influence and fetters of all sorts of obsolete ideas and develop their individual characteristics, aspiration, wisdom and talents in an all-round way.

The process of the breakdown of socialism in some countries teaches the serious lesson that if one overlooks ideology and abandons ideological work in socialist society, this will make people ideologically sick. It will corrupt and destroy everything socialist. If the ideological bulwark falls down, socialism will be unable to defend itself no matter how great its economic and military power may be.

Now the imperialists and renegade socialists are slandering ideological education by the working-class party in socialist society as "uniformism" and "ideological infusion". This is a preposterous fabrication to sling mud at socialism and a sophism to justify the falsity and reactionary nature of bourgeois propaganda.

Under the wise leadership of the respected Comrade Kim Chong-il, the WPK has positively pushed ahead with ideological education, so that all the people are united in one mind, the whole society forms a harmonious big family, people are helping and leading each other forward and working and living full of confidence and optimism even under difficult and complicated circumstances.

The Korean people under the wise leadership of Comrade Kim Chong-il will frustrate the anti-socialist campaign of the imperialists and reactionaries and accomplish the socialist cause of chuche.

DPRK: Socialist Politics as People's Politics Viewed

SK1706100896 *Pyongyang Korean Central Broadcasting Network in Korean*
0910 GMT 14 Jun 96

[Unattributed talk: "Socialist Politics Is the People's Politics With the Popular Masses Being the Masters"]

[FBIS Translated Text] Socialist society is an ideal society for which progressive mankind has longed for thousands of years. For mankind to advance toward socialism is the trend of historical development that nothing can stop. Therefore, clearly elucidating the essence of socialist politics and its popular character and fully displaying its superiority is an extremely important issue arising in defending and adhering to socialism.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has pointed: Socialist politics is the people's politics with the popular masses being the masters.

The essence and character of politics are classified according to the system of the society. In an exploiting society, the politics is, in essence, to guarantee the class domination of the exploiting classes and the working popular masses are the object of the politics. Accordingly, the politics of all the exploiting societies,

including the bourgeois politics, are antipopular politics without exception.

On the contrary, in socialist society, the popular masses themselves are the masters of politics, organizing and carrying out all their social life in a unified manner in conformity with their independent desires and interests. This proves that socialist politics is the people's politics with the popular masses being the masters. Socialist politics is the people's politics because, most of all, the popular masses are the masters of politics as well as its performers. Whether or not the politics of a given society is the politics of the people can be determined by whether or not the popular masses are the masters and performers of the politics in that society.

In order for the people to become the masters of the politics, they have to become the masters of power. Power is the political command ability as well as a basic factor that determines the role and position of the people. In all the exploiting societies, including a capitalist society, exploiting classes seize power. They monopolize power and realize their class domination over the society with power. However, in socialist society, the popular masses are the masters of power. Thereby, they have the authority and power to conduct politics and are directly responsible for politics.

People's power in our country — which has been established and managed by the people in accordance with their desires and aspirations and whose masters are broad working popular masses, including workers and farmers—is the people's power in the true sense of word.

In our country where the people are the masters of power, the working people participate in state management and exercise all the sovereignty as the masters, and freely carry out social and political activities. They also actually exercise their rights as the masters of politics and play their role and fulfill their responsibility as the performers of politics. By doing so, in the DPRK, the works of setting up and implementing policies are the popular masses' own works; the country's politics is conducted thoroughly in conformity with the popular masses' intentions and demands.

This proves that the popular masses are the true masters of politics and actual performers of politics, and that socialist politics is the people's politics which the popular masses implement as the masters in the true sense of word.

That socialist politics is the people's politics is linked with the fact that politics is conducted in socialist society through a political organization that represents the desires and interests of the popular masses. Politics

is realized through a certain political organization. In order for the popular masses to exercise their rights and discharge their responsibility as the masters of the state and the society in socialist society, they ought to have a political organization that represents their desires and interests.

In socialist society, the representative of the popular masses' interests and desires is the party of the working class and people's power. In socialist society, the party of the working class is the supreme political organization, and people's power is the most comprehensive political organization. Socialist politics is realized by the leadership of the working class' party and the state's centralized ruling.

In our country, the state power has consistently and thoroughly held fast to the party's political leadership and the state's centralized ruling. Thereby, it has conducted the popular masses-centered politics and has fully displayed its superiority, and is triumphantly advancing the socialist cause to realize the popular masses' independence without any deviation.

Our party has firmly ensured the political leadership over the revolution and construction in conformity with the desires and demands of the popular masses. Our regime is strengthening the state's centralized ruling in order to smoothly carry out its mission as a representative of the independent rights of the popular masses, an organizer of their creative activities; a householder in charge of the people's living; and a protector of the people's interests. By strengthening the party's political leadership and improving the state's centralized ruling function, the politics reflecting the popular masses' desires, which is the politics of the people, has carried out in our country without a hitch, and the cause of our-own-style socialism has achieved victory after victory amid storms.

That socialist politics is people's politics is also linked with the fact that politics is carried out in a new socialist political method in socialist society. The political formula is a method to carry out politics and is determined by the nature of the socialist system. In all the exploiting societies, including a capitalist society, the exploiting class impose their desires and demands on the whole society, thus carrying out politics in an iron-fisted manner. However, that kind of method cannot be applied to a socialist society where the popular masses are the masters of politics and are directly responsible for politics, and, furthermore, politics should be carried out with a new political method that suits its nature.

Only when socialist politics is carried out in the form of the popular politics that suits the nature of socialist society, can it become the genuine politics of people

that actually guarantees the popular masses' role and position as the masters of politics. In our country, the party and people's power enable the working people to occupy the position of and play the role as the masters of the state and the society by thoroughly implementing the revolutionary mass line. In addition, they are endlessly modifying the work method and style among the working people, reliably conducting people's politics in the true sense of word.

Truly realizing socialist politics as the people's politics with the popular masses being the masters in our country is a brilliant fruition of the excelled and tested leadership of the great leader [widaehan suryong] and the respected and beloved general. The leadership of the leader [suryong] is a decisive factor for the success of the people's politics, which is socialist politics. By the prominent leader [tagwolhan suryong] of the working class, the ideas and theories for socialist politics are mapped out and are developed and enriched in conformity with the demands of the times and the developing revolution. By the leadership of the leader [suryong], socialist politics is prepared and can be realized as the people's politics.

Apart from the leader's [suryong] ideas on and leadership over the working class, socialist politics cannot become the politics of the people. Socialist politics is directly politics of the working class. The might and vitality of socialist politics depend on the greatness of the leader's [suryong] politics on the working people.

On the basis of the immortal chuche idea, the respected and beloved leader Comrade Kim Il-song established the ideas and theories on the popular masses-centered socialist politics and brilliantly embodied it. The respected and beloved general has inherited the leader's [suryong] popular masses-centered politics as it is and is brilliantly embodying it on a new level.

Having the pride of being the masters of the genuine politics of the people, we will continue to glorify the popular masses-centered socialism of our own style.

**DPRK: NODONG SINMUN Calls Kim Il-song
'Eternal Sun of Chuche'**

SK1706092396 Pyongyang KCNA in English
0917 GMT 17 Jun 96

["President Kim Il-song Is Eternal Sun of Chuche, Says
NODONG SINMUN" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — The respected Comrade Kim Il-song was the greatest man who has been praised as the sun for his admirable traits and qualities, imperishable feats and noble virtue, says NODONG SINMUN today.

In an article titled "The Respected Leader Is Eternal Sun of Chuche" the daily says:

The Korean people and the world revolutionary people have deeply respected and praised him as the sun of chuche because he, with great ideas, indicated the way to be followed by humankind as clearly as sunlight and loved the people as warmly as the sun. Their respect mirrors the truth of the time and history that he is immortal in the hearts of the people like the sun.

The daily quotes the great leader Comrade Kim Chong-il as saying:

"They say the sun gives out rays for all organisms. Comrade Kim Il-song's great political ideas and leadership give hope and happiness to all the people. It is natural that the world revolutionary people highly praise our leader as the sun of the people."

The daily notes:

The new era of history, the era of independence, was ushered by Comrade Kim Il-song, the most outstanding leader ever in human history.

He was an illustrious thinker and theoretician who founded the immortal chuche idea and opened up a new age of the independence of humankind, the lodestar of human liberation who set a shining example in national, class and human liberation and triumphantly guided the cause of the independence of the popular masses and the great father and outstanding teacher of the revolution who provided the masses with a worthwhile life and happiness befitting independent human beings.

He was, indeed, the sun as his name means. His revolutionary ideas are sunlight illuminating the path of humankind, his cause is one of the eternal sun for completely achieving the independence of the masses and his bosom is one of the great sun for all the people.

The great leader Comrade Kim Il-song is immortal as the eternal sun of chuche along with the chuche idea and the cause of the independence of the masses to which he devoted his whole life. And he is always alive as the cradle of the people's life and as the great sun.

The Korean people and the world progressives have been missing him more solely with each passing day and venerating him as their eternal spiritual support and the sun.

The blood ties between the fatherly leader Comrade Kim Il-song and the Korean people and between him and the world progressive people have become closer and he always remains alive in the hearts of the world people as their father.

Guided by Comrade Kim Il-song, ours is a new era of history shining with the great sunlight and, led by Comrade Kim Chong-il, it is a glorious era splendid with the name of the eternal sun.

Under the leadership of the respected Comrade Kim Chong-il, the history of the great sun has continued invariably and Comrade Kim Il-song will be alive for all ages as the sun of chuche.

South Korea

ROK: U.S., ROK Hold 'Different Views' on DPRK Policy

SK1506042096 (Internet) The Digital Chosun Ilbo
WWW in English 1205 GMT 14 Jun 96

[Editorial: "Cooperation With Different Views"]

[FBIS Transcribed Text] Since the collapse of the Soviet Union, America's policy towards the Korean peninsula has gradually changed into one of engaging the North. In our case, however, we must respond with more sensitivity towards North Korea's continuing policy of hostility. Through the process of discussion, differences between the U.S. and Korean strategy regarding the North have been exposed, despite the fact that we are allies.

Regardless, the general perception is that the Korean Government and the Clinton administration have been successful in maintaining a smooth relationship. Just as it is necessary on the individual level, the governments of both Korea and the U.S. also need to make a sincere effort to cooperate with one another. Otherwise, small disagreements can lead to chaos and unfavorable consequences.

Recently, there have been several discrepancies between Korean and American interpretations of happenings in the North. South Korean authorities have expressed doubts about North Korea's \$130 million in insurance claims for crop damage, claiming that none of the funds have been used to buy food. In contrast, an official of the U.S. State Department quoted in the Washington Post maintained that the actual amount of claims is only US\$25 million, and that the \$130 million was used to purchase rice from Taiwan, India, and Thailand.

Claims made at a press conference by recently defected North Korean pilot, Captain Yi Chol-su, regarding "North Korea's Seven-Day War Strategy" have also been contradicted by the U.S. Important differences in opinion were also revealed with America's disapproval of South Korea's response to recent irrational movements of North Korean troops in the DMZ.

Disagreements like these can be perceived as trivial. However, from the beginning, there should be no

discrepancies regarding the North Korean security issue. Why then, do these different opinions and uncoordinated responses exist? Could these be a calculated move on the part of the Clinton administration, which would like to give North Korea a soft landing, or is this merely the result of our own lack of preparation, poor handling in acquiring information, hasty judgement, and exaggerated speculations?

If it is the former case, then it is easy to see that the Clinton administration is attempting to control certain aspects of our stance on North Korea for its own benefit. If it is the latter case, then we have to blame our own government for mismanaging the situation. The government needs to be more considerate about informing the people, rather than misguiding them by releasing assessments of the North Korean situation which lack grounding in reality. It is also necessary that we strive towards smoothing relations between the U.S. and Korean governments, managing the situation more wisely.

ROK: Professor Views ROK-U.S. Strategic Alliance

SK1506012896 Seoul THE KOREA TIMES in English
15 Jun 96 p 2

["Abridged text" of paper presented by Professor No Kyong-su of Seoul National University to the first "Korea-U.S. Forum" organized by the Korea-America Friendship Society and SBS-TV, held at the Seoul Hilton Hotel, June 14-15, on the theme "Reestablishing the Korea-U.S. Relationship in a Rapidly Changing Age"]

[FBIS Transcribed Text] In the post-Cold War world, Korea has become an important, attractive strategic partner for the United States to have on its side. Having taken this into account, however, the basic nature of the alliance remains unchanged. There always has been a fundamental asymmetry of interests and capabilities between the United States and Korea.

In keeping the alliance together, therefore, the essential determinant of alliance cohesion, the "glue" as it were, has been the degree to which the United States viewed the alliance as being in its interest.

No amount of shared objectives, values or ideals intrinsically argue for alliance between two states although they may feel and behave very warmly toward one another. In order for the alliance cohesion to be at its tightest, the perceived need for it has to be mutual and equal.

How much then, do the United States and Korea need each other in the post-Cold War world? A cursory look would suggest that while Korea may need the United

States, the latter does not need the former quite to the degree that it once did. The United States, after all, confronts no strategic rival against which it would be better off by having Korea in its camp.

By this logic the situation would not change appreciably even if one were to calculate in the North Korea factor. North Korea may threaten South Korea but does not represent a direct threat to the United States' core security interests. If one were take this argument a step further and factored in the removal of U.S. troops from Korea, the threat to U.S. interests would decline even further. Things, however, are not so simple.

A more sophisticated analysis of the U.S.-Korea alliance would begin by asking what is the most over-riding strategic objective of the United States in the post-Cold War world. The reasonable answer to this would be the safeguarding of American preeminent position and leadership role on the world stage. Then the next logical question would ask what sort of policy, globally and regionally, the United States should pursue in order to most cost-effectively and efficiently protect its leadership.

For any singular global power, the answer has to be policies that either solidify or promise the prolongation of the status quo at both the regional and global levels. This would then imply that in order to assure against challenges to American leadership at the global level, Washington would have a vested interest in keeping regional leaders from becoming global rivals.

In order to keep regional leaders regional, the United States' security-policies aimed at the regional level should seek to create local power balances so that no one regional power becomes strong enough to seek hegemony over the entire region. There is nothing new in this line of strategic thinking. It's merely what British strategists practiced during their period of global preeminence, and other imperial powers before the British.

What then, ought to be American security policy be in Northeast Asia and how does its alliance with Korea fit in? The rational thing for America to do-and it appears to be doing it already-would be to seek regional balance of power so that neither Japan nor China, nor Russia at some future date, once again becomes preponderant in the region.

Thus it is in the interest of the United States to make sure that Japan stays tied to the U.S.-Japan security framework. This is also why a seriously weakened China would not be in America's long term interest either, and why the reverse is also true.

For Korea to be important to this balancing strategy, and for the U.S. to extend its security commitment to Korea in the years ahead, Seoul will have to demonstrate that it will follow America's leadership unless it is prepared to accept the strategic consequences of going it alone in the region (neutrality is not an option), or it is prepared to seek alliance with one or another of the regional powers.

As frustrating as this narrow choice of options may be to Seoul, this is the unavoidable reality of small power located in a neighborhood of big powers. The obvious benefit for the United States in having Korea in its camp is that it gains that extra margin of leverage that may make the difference as it goes about its task of orchestrating its regional balancing act.

ROK: Agreement on Nuclear Fusion Cooperation Signed With U.S.

*SK1606083496 Seoul SEOUL SINMUN in Korean
16 Jun 96 p 2*

[Report by Washington-based correspondent Na Yun-to]

[FBIS Translated Text] On 14 June, the ROK and the United States signed in Washington an implementation agreement on cooperating on research of nuclear fusion; a memorandum of understanding on cooperation between nuclear energy research organizations, and a basic agreement on cooperating on space technology.

That day at the Department of Energy, Chong Kun-mo, ROK minister of science and technology, and Hazel O'Leary, U.S. secretary of energy, signed an implementation agreement on cooperating on research of nuclear fusion, which envisions expanding mutual cooperation, including implementing joint projects in a bid to promote research and development capabilities in nuclear fusion between the two nations.

According to the agreement, the cooperative system will be established between the Princeton Nuclear Physics Research Institute, the Massachusetts Institute of Technology, the Lawrence Livermore National Physics Research Center, and the Oakridge National Research Institute [name of organization as transliterated] in the United States, and the Basic Scientific Support Research Center, the Korea Advanced Institute of Science and Technology, and Nuclear Energy Research Institute of the ROK. The cooperation system is expected to help the ROK effectively carry out research and development of nuclear fusion in the future.

ROK: Telecommunications Talks With U.S. Break Down*SK1606072896 Seoul SEOUL SINMUN in Korean
16 Jun 96 p 2***[Report by O Sung-ho]**

[FBIS Translated Text] The ROK-U.S. bilateral communications negotiations have broken down. The two countries discussed private sector procurement of telecommunications equipment, including that for personal communications services. As a result, the United States is highly likely to designate the ROK as a priority foreign country [PFC] in the communications area as of 1 July.

An official of the Finance and Economy Ministry revealed on 15 June: "Our delegation to the talks informed us that it held the bilateral communications talks in Washington, the United States, on 13-14 June, Washington time, but failed to agree on anything." At the bilateral talks, the United States said that the ROK is employing the "buy local policy" in the process of procuring communications equipment, and it held fast to the existing stance that the ROK should guarantee in writing that this policy will be revoked.

However, our delegation expressed the position that it is unfair for the United States to demand a government-level memorandum of guarantee, stressing that the ROK Government does not interfere with the private sector's procurement process and that choices should be left to the private sector. Therefore, no agreement could be reached.

It has not been confirmed whether or not the two countries will hold other negotiations later, but the Finance and Economy Ministry sees little possibility of settlement, since both sides are sticking so tightly to their guns.

The United States has taken the stand so far that it will designate the ROK as a PFC in the communications field as of 1 July if no agreement is reached at future talks.

ROK: DPRK Said Negotiating With Syria To Exchange Missiles for Food*SK1706105196 Seoul YONHAP in English
1041 GMT 17 Jun 96*

[FBIS Transcribed Text] Hong Kong, June 17 (YONHAP) — North Korea is believed negotiating with Syria for foods in exchange for weapons like missiles, the SOUTH CHINA MORNING POST here reported Monday [17 May].

The paper quoted a Western diplomat watching North Korea's food crisis as saying that in Pyongyang on last

May 22 Syria offered to furnish 100,000 tons of foods to North Korea and Pyongyang suggested it was interested in getting the foods in exchange for weapons.

The diplomat reportedly said that to North Korea weapons are the only option available since they have no other items to use in importing foods in barter trade.

Meanwhile, Syria, which enjoyed bumper harvests in its northern plains last year, is preparing to use part of the crops in barter trade.

North Korea has the record of providing SCUD missiles and other weapons to Syria in the past, the paper added.

ROK: KOTRA Reports Smuggling 'Brisk' Along DPRK-PRC Border*SK1706105496 Seoul YONHAP in English
1047 GMT 17 Jun 96*

[FBIS Transcribed Text] Seoul, June 17 (YONHAP) — Acts of smuggling are rampant in the North Korea-China border area with tacit permission from North Korean authorities, a report from the Dalian Office, Korea Trade and Investment Promotion Agency (KOTRA), said Monday [17 June].

Illegal trade transactions are especially brisk in the Dandong-Sinuiju area, and major items dealt in are food grains like rice and corn from China and fishery products such as dried pollacks from North Korea.

Due to the scarcity of tradeable goods, North Korea offers, besides fishery products, large amounts of scraps which include even usable high-voltage cables in exchange for China's rice, the KOTRA report said.

ROK: KEDO, DPRK Sign Transport, Communication Protocols*SK1506023396 Seoul YONHAP in English
0220 GMT 15 Jun 96*

[FBIS Transcribed Text] New York, June 14 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea signed transportation and communication protocols Friday for the implementation of the light-water reactor project, the second and third of their kind, respectively.

According to the signed protocols, Pyongyang will allow KEDO and the Korea Electric Power Corp., the prime contractor for the project, to use independent satellite communication facilities. They also call for the establishment and use of other communication facilities, including those for cellular phones and walkie-talkies within 24 months after the construction site's formal ground-breaking ceremony.

As the international consortium for the project led by South Korea, the United States and Japan, KEDO is pursuing a dozen protocols with North Korea for support of the light-water reactor project.

According to the initialed protocols, North Korea will establish and manage post offices inside the sites for the reactors, with KEDO officials and contractors to be allowed to receive or send international mail through channels agreed upon by KEDO and Pyongyang.

KEDO officials and contractors will also be allowed unimpeded access and use of the North communication facilities, and North Korea will provide them with enough telephone circuits for international and long distance calls, fax and data communications.

The two sides agreed to open two different tracks of sea routes: One for barges passing along the territorial seas 15 to 20 miles from the South and North Korea's east and west coasts and the other for general vessels using high seas. They agreed to discuss later ways to open the sea routes closer than the barge ones as the reactor project progresses.

On air routes, KEDO and KEDO-related officials may use Sondok Airport near Sinpo, North Hamgyong Province, the site of the reactors. The two sides will also designate efficient and economical air routes, which could include direct routes between South and North Korea, before the power block excavation of the plants.

Until then, KEDO personnel will fly the North's carrier Air Koryo between Beijing and Sondok, according to the protocol.

Mitchell Reiss, advisor to the KEDO executive director, led the KEDO delegation, comprised of KEDO officials and others from the South Korean, U.S. and Japanese governments, while Yi Myong-sik, vice director of the General Department of Atomic Energy, headed the North Korean side.

The two sides initialed their first protocol on May 23 on consular protection, immunities and privileges for KEDO personnel working in North Korea.

ROK Daily Analyzes 'Ambiguous' DPRK Attitude on 4-Party Talks

SK1606120796 Seoul KYONGHYANG SINMUN
in Korean 16 Jun 96 p 3

[Article by Yi Tae-kun: "North Korea Is In Agony When Two Months Have Passed Since Four-party Talks Were Proposed"]

[FBIS Translated Text] On 15 June, it was two months since the ROK and the United States proposed the four-party talks to North Korea.

However, to date North Korea has not revealed its intention about whether to accept the proposal since it showed an official reaction stating "the matter is under review."

Regarding North Korea's unprecedented long silence in not expressing its clear position, experts observe that North Korea has fallen into a dilemma in which it can neither accept nor refuse the proposal.

North Korea, which is suffering severe economic difficulties, believes that improving relations with the United States is essential for blocking threats from South Korea over national reunification through absorption and for overcoming the crisis in its regime by dissolving the U.S. economic sanctions against North Korea, because the destiny of the Korean peninsula is in the hands of the United States. This is why North Korea focused its diplomatic power on improving relations with the United States.

This has also prompted North Korea to settle the negotiations on repatriating the remains of U.S. soldiers on 9 May and to resume North Korea-U.S. missile negotiations. As a result, pending problems between North Korea and the United States which were deadlocked in the past have now been resolved smoothly.

In this situation, the refusal of the four-party talks proposed by the United States and the ROK is believed to be working as a great burden for North Korea.

North Korea is claiming that the four-party talks was proposed by the United States alone, not jointly with the ROK. This being the case, North Korea has a sense of crisis, where if it refuses the proposal, the small bridge laid between North Korea and the United States may be severed.

Still, North Korea is not in the position to easily accept the four-party talks. Observers pointed out that this is the very agony of North Korea.

Whenever he finds an opportunity, President Kim Yong-sam stresses that "North Korea is the one who gets the greatest benefits from the four-party talks" and the

United States also suggested lifting economic sanctions, thus hinting a great deal of the price North Korea would receive in return for accepting the four-party talks.

One may think that North Korea, taking into account such a price, should not have any reason for refusing the proposal. However, it appears that North Korea is not prepared internally to receive the price.

North Korean authorities, who regard maintaining the regime and solidifying its unity as the supreme task, are concerned about the possibility that the wind of reform and opening will blow fiercely if it accepts the four-party talks proposal.

In fact, not only pending questions between North Korea and the United States, but also all pending issues between North and South Korea, including building mutual political and military confidence and economic cooperation and exchanges, will be dealt with within the framework of the four-party talks. This being the case, it is inevitable for North Korea to change the direction of its existing policy toward the South, as well as its foreign policy.

Accordingly, there is a possibility that North Korea is attempting to drag out the time as long as possible, without showing its clear position on the four-party talks at an early date.

By showing "an ambiguous position toward the four-party talks" and not expressing its clear attitude toward the joint explanatory session, North Korea is trying to acquire additional concessions from the ROK and U.S. side.

In view of this, the UN aid to North Korea amounting to \$43.6 million, which has been led by the United States, will exert a positive influence on the four-party talks in one way or the other.

Nevertheless, North Korea may propose another condition in an effort to gain even more concessions.

ROK: KEDO, DPRK To Conduct Site Takeover Talks in North

SK1506072096 Seoul YONHAP in English
0703 GMT 15 Jun 96

[FBIS Transcribed Text] Seoul, June 15 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea are expected to conduct negotiations on a service and site takeover procedures protocol in support of the light-water reactor project in the reclusive Stalinist country as early as next month.

Chang Sun-sop, administrator, Office of Planning for Light-Water Reactor project, told a press conference Saturday [15 June], "The next round of negotiations

on a protocol covering services to be provided by North Korea and procedures for taking over sites will be conducted in the North under the principle of reciprocity."

"Though when to start the talks are yet to be finalized by the two sides, the negotiations are expected to begin soon," Chang said, indicating that they may open as early as next month.

The upcoming KEDO-North Korea negotiations will be the first of their kind to be held in the North since the reactor project talks started last year. The venue is likely to be Mt. Myohyang, according to Chang.

The press meeting followed the signing in New York Friday of the communications and transit protocol, which Chang described as the most difficult protocol to be dealt with since the negotiations started in April last. The protocol's signing represents "a step forward in the light-water reactor project," he added.

ROK Article Profiles DPRK Vice President Kim Pyong-sik

SK1706111996 Seoul HANGUK ILBO in Korean
17 Jun 96 p 15

[Article by Min Pyong-yong, researcher of the Unification Research Institute, from the "Figures Controlling North Korea" column: "Kim Pyong-sik, DPRK Vice President and Chairman of the Korean Social Democratic Party"]

[FBIS Translated Text] DPRK Vice President Kim Pyong-sik (76) is a very worldly-wise person who reached the center of power in North Korea as a member of the General Association of Korean Residents in Japan [Chongnyon]. He is chairman of the Korean Social Democratic Party [KSDP], which is a nominal political party as well as an auxiliary organ of the Workers Party of Korea.

With the beginning of the Kim Chong-il era, he has been involved in various activities, together with Yu Mi-yong (wife of late Choe Tok-sin) of the Chondoist Chongu Party.

He visited Seoul to attend the North-South Red Cross talks, which began in August 1972, as a member of the special committee; and nominating a Chongnyon member to this committee is known to be exceptional. In 1974, he and his family returned to Pyongyang to settle down permanently. Then, he worked as the director of the Korean Revolutionary Museum and as adviser to the Korean Affairs Research Institute. Unconfirmed rumors held that he was once sent to the Sinuiju indoctrination camp under suspicion of his ideology. He became

chairman of the KSDP in July 1993, replacing Yi Kye-paek. In December of the same year, he was elected vice president of the DPRK at the Supreme People's Assembly (SPA), together with Kim Yong-chu (Kim Il-song's brother).

He is a member of the Central People's Committee (CPC) and a deputy of the SPA. He ranks sixth in North Korea's hierarchy.

Born in Sinan, South Cholla Province, in 1919, he moved to Japan before national liberation, and graduated from the Economy Department of Tofuku University. He taught at a Korean middle school for a while after liberation, and later became a member of the Central Committee of the Democratic Front in 1952. He also worked as the editor-in-chief of the Korean News Agency, and played a key role in the formation of Chongnyon. He was promoted to the first vice chairman of Chongnyon in 1970, and received the Order of National Flag Second Class for his contributions to repatriating Korean residents in Japan to North Korea in the 1960's.

He is a son-in-law of Chongnyon Chairman Han Tok-su. The election of Kim as vice president is interpreted as an attempt to lay a cornerstone for rebuilding Chongnyon, which has been weakened since the collapse of the socialist bloc.

In his capacity as the chairman of the KSDP, he once called for convening a national congress to the ROK opposition parties.

ROK: Unprecedented DPRK Policy Allows Farmers To Keep Surplus

SK1606013196 (Internet) *The Joong-Ang Ilbo* WWW in English 16 Jun 96

[FBIS Transcribed Text] It was reported that North Korea has adopted a radical policy on agricultural management which allows farmers to keep their surplus produce after submitting a certain proportion to the government. This policy has been in effect since January of this year.

Although North Korea has implemented a system of giving incentives to the farmers who produce agricultural goods in excess of the stipulated amount in order to overcome the problems related to a collective farming system including the reduction in the amount of agricultural produce, this is the first time that North Korea has allowed its citizens the right of free disposal of the remaining produce after a certain portion has been submitted to the government.

ROK: Editorial Views 'Serious' 'Food Crisis'

SK1506041696 (Internet) *The Digital Chosun Ilbo* WWW in English 1206 GMT 14 Jun 96

[Editorial: "Contracted Purchasing System of Rice"]

[FBIS Transcribed Text] The government's comprehensive policy for the development of the rice industry, which is expected to bring about drastic reforms to the rice purchasing system, reflects the critical state of the food situation in our country. Our agricultural policy and industries have failed to respond effectively to the system imposed by the World Trade Organization, bringing about sharp declines in production, resulting in a food shortage where we once had a surplus. With our grain stocks already far below appropriate levels, an international food shortage and price hikes have rendered our food crisis a very serious one.

The new comprehensive plan can hardly reverse the situation overnight. Rather, in order to maintain an appropriate level of production, and secure an adequate supply of food, we have to develop new inducements to encourage production. In this regard, the new plan offers some innovations.

First of all, the current rice purchasing system would be changed into a contract purchasing system which would guarantee a minimum price for the harvest. This will engender a favorable attitude among rice farmers towards producing more. There will also be room for the rational discussion of prices and quantity of sales, as well as the appropriate purchase price for agricultural cooperatives. Of course, there is a risk that pre-paid funds will be used personally, as was the case with the Farm Operations Loan. However, we believe that the advantages of this new system far outweigh the negative side-effects.

In order to expand the market function in the long run, it is worthwhile to study the loan purchasing system.

Another change that the new comprehensive plan will effect is the so-called government direct payment system. To introduce this system, however, will require a large amount of money. Thus negotiation among government agencies will be a vital factor. Compensation brings up another problem. Restrictions will be tightened on transferring farm land for other uses, however, for mountainous areas, they will be eased. This plan may produce serious negative consequences, however, if it is not carried through with discretion.

ROK: Rice From Evangelical Group Reaches DPRK*SK1506032696 (Internet) The Digital Chosun Ilbo WWW in English 1210 GMT 14 Jun 96*

[FBIS Transcribed Text] North Koreans received donations of rice from the Korean Association of Evangelical Churches at a distribution center in Kaehon City in Pyongnam, North Korea. The 400 tons of California rice were purchased by the Eugene Bell Foundation, an American missionary group, with 70 million won donated by the Association of Evangelical Churches.

ROK: N. Koreans Travel To Forage; Envoys Seek Food for Families*SK1506030896 (Internet) The Digital Chosun Ilbo WWW in English 1211 GMT 14 Jun 96*

[FBIS Transcribed Text] In the border area between North Korea and China, the number of North Korean travelers is increasing as people search for food. According to an official of the South Korean Government on Friday [14 June], the increase in travel has led to a substantial easing of restrictions on travel, including the issuing of travel passes last April. Trains to the border area and the surrounding countryside are now constantly overflowing with people, with some even riding on top of the trains. According to the official, in the border region, 1 kg of copper can be exchanged for 15 packs of Chinese cigarettes. As a result, North Koreans are stealing copper wire from power lines, prompting North Korean leader, Kim Chong-il to declare such thefts subject to punishment as treason.

At a testimony in the Japanese parliament, the Chief of the Asian Section of the Japanese Foreign Ministry, Kato, said that high-ranking [DPRK] officials invited for meals at foreign embassies, were taking food home to their families, rather than eating. Kato also testified that the North Korean Government instructed members of its diplomatic corps overseas to purchase food on a credit basis rather than with cash, last March.

ROK: DPRK Asks Carter Center for Farming Technology Assistance*SK1506054396 Seoul YONHAP in English 0519 GMT 15 Jun 96*

[FBIS Transcribed Text] Seoul, June 15 (YONHAP) — Carter Center representatives from the United States recently discussed ways to help North Korea improve its agricultural technology with Pyongyang officials, a Foreign Ministry official said Saturday [15 June].

"Andrew Aagle of the Carter Center, who is in charge of agricultural technology assistance, was in Pyongyang June 4-11 to meet with North Korean officials who

asked for agricultural technology assistance," the official said quoting Carter Center officials.

The Carter Center official and his companions, mostly engineers and professors of agriculture, got the impression that the North's food shortage is severe but did not observe any signs of starvation in the communist country, the official said.

ROK Official Comments on Carter Center Help for DPRK*SK1606121496 Seoul TONG-A ILBO in Korean 16 Jun 96 p 2**[Report by Mun Chol]*

[FBIS Translated Text] It was learned on 15 June that the Carter Center, which is led by former U.S. President Jimmy Carter and which has dispatched agricultural experts to North Korea, will soon announce a report on North Korea's food situation. It will then launch a fund-raising campaign for supporting agricultural technology to North Korea.

According to a relevant government official, a delegation of the Carter Center composed of seven agricultural experts, including Andrew Egly [name as transliterated], director of the agricultural support program, visited North Korea from 4 to 11 June. During contacts with North Korean agricultural experts, they raised the issue of supporting agricultural technology in an effort to resolve food shortages. The delegation won positive reaction to the issue from its North Korean counterpart.

The visit of agricultural experts from the Carter Center was realized with the support from the Rockefeller Foundation. The government official added that the upcoming fund-raising campaign will also be supported by the Rockefeller Foundation.

ROK: DPRK TV Reveals State Subsidizes 87 Percent of Grain Price*SK1706055496 Seoul HANGYORE SINMUN in Korean 17 Jun 96 p 4**[By reporter Kang Tae-ho]*

[FBIS Translated Text] The North Korean Government's grain purchase price, which has remained behind the curtain up to now, has been revealed for the first time.

North Korea's Central Television Network on 1 and 19 May carried a program comparing the living standards between a North Korean home and a Russian home and publicizing the additional state-given benefits North Korean residents enjoy. Different from the previous

propaganda programs stressing the superiority of the North Korean system, which concentrated on such abstract themes as "free education, free medical care, and a country free from taxes," the aforesaid programs put forth specific figures, thus attracting our attention.

Based on this announcement made by North Korean television, the Ministry of National Unification (MNU) on 15 June disclosed its finding that while the North Korean Government's purchase price of rice is 60 chon [0.60 won] per kilogram, its supply price is 8 chon [0.08 won], which is about 13 percent of the purchase price, and the North Korean Government, therefore, is implementing a double grain price system by which the government pays the difference between the two prices. The MNU estimated that the annual deficit for food administration resulting from the double grain price system will be 1.53 billion won (North Korean currency). Because the cumulative total of the deficit since 1990 will be 9 billion won, equivalent to approximately \$4.5 billion, this must be an enormous burden on state finances. The North Korean television program also revealed that North Korean educational expenditures are about 3.5 billion won, eight percent of the total state budget.

**ROK: DPRK TV Says Russians 'Miserable'
Compared to N. Koreans**

SK1706062996 Seoul SEOUL SINMUN in Korean
17 Jun 96 p 4

[Report by Ku Pon-yong]

[FBIS Translated Text] North Korean authorities have recently been making efforts to propagandize the superiority of so-called "our-own-style socialism" through all their mass media.

They have also been making desperate efforts to stress how dangerous it is to switch over to a capitalist system. This, of course, is aimed at preventing a domino effect following the collapse of Eastern Europe.

According to the Ministry of National Unification, North Korea's Central Television Station twice recently carried a program introducing differences between two families of North Korea and Russia twice. This documentary was titled "The Lives of Two Families: Two Realities Seen on Video."

The documentary says that a North Korean family of four receives from the state food valued at 549 won, clothing valued at 101.2 won, and housing valued at 92.4 won per year. It also gets "free education" valued at 396 won, "free medical care" valued at 466.4 won, and "tax-exempt status" valued at 243.6 won. The

documentary says that a North Korean family receives a total of 2,289.2 won a year.

This is so large an amount that in North Korea one could buy 360 bags of rice (80 kg a bag) with it. This is far from North Korea's true situation. North Korea is now carrying out panhandler diplomacy throughout the world due to food shortages.

The North Korean documentary alleges that in Russia, where the communist party has collapsed, eight families live in one house and children drop out of school because they cannot pay 3,200,000 rubles in tuition. It also broadcast false propaganda that Russians are leading miserable lives because they earn only 40 percent of their living expenses even when they work until late at night.

North Korea has used such abstract ideological terms as "free education," "free medical service," and "a tax-free country" to propagandize the superiority of its system. This documentary, however, gives numbers by calculating these invisible "benefits." It is said that North Korea used a more refined technique this time.

However, one interesting thing is that the living conditions of the Russian family shown in the documentary do not seem to be poorer, at least, than those of the North Korean family. The Ministry of National Unification says that North Korea may have exaggerated the benefits for North Korean people to stress the superiority of its socialist system. An official said that "using the numbers given in the documentary, all North Koreans receive a total of 12 billion won (\$6 billion) in state benefits," adding that "this far exceeds the amount of North Korea's social and cultural budgets, 7.8 billion won (\$3.9 billion)."

**ROK Daily Discusses 'Confusion' in Reporting on
DPRK Affairs**

SK1606141196 Seoul KYONGHYANG SINMUN
in Korean 16 Jun 96 p 3

[Editorial: "Why Has Confusion Been Repeated In Reporting North Korean Affairs?"]

[FBIS Translated Text] Seeing arguments about the amount of North Korea's insurance money, we cannot help but feel a sense of embarrassment, because the report that North Korea had received as much as \$130 million in insurance money from Western insurance companies for its poor crops in 1994 has belatedly created a stir among the people.

The precise amount of insurance money North Korea received from the Western insurance companies has not been officially confirmed. This is because the insurance

companies have refused to confirm the amount, noting that the issue is closely related to their customers. In a telephone interview with the ROK media aimed at confirming the amount, a certain insurance company stated that the amount of \$130 million is a perfect fake and that there was a certain aim involved in the report, thus criticizing the attitude of the ROK media. This means an expression of doubt as to the credibility of the ROK media.

When this report was first made public, our media, quoting the remarks of "a government official," added that "North Korea might have used the money for other purposes, not for buying grain." As soon as the report was released, the U.S. ambassador to the ROK, James Laney, raised an objection, emphasizing that recent various reports by the ROK media were hampering ROK-U.S. relations. As an example, he pointed out the report on North Korea receiving the insurance money. The WASHINGTON POST of the United States also refuted the ROK media report, quoting a U.S. State Department official's remark that the amount of money that North Korea had received was \$25 million.

A series of commotions regarding the report is a matter of shame for the position of our media. In view of the fact that North Korea is an extremely closed society and information concerning North Korea is also extremely limited, some confusion in reporting North Korean affairs may be partly regarded as inevitable. However, if confusion is repeated in reporting on North Korea and ultimately damages the credibility of the ROK media, this is indeed a serious problem. Therefore, true aspects in the sensation caused by the recent issue of North Korea's insurance money should be clarified. It is necessary for the sake of preventing a similar incident in the future.

Of course, we do not think that the government's aim was involved in this incident. However, there is a possibility that some officials within the government who are discontent with aid to North Korea might have intentionally revealed the issue in this way. It was not too long ago that "a relevant government official" stated that "there would be no serious food shortage in North Korea during the coming summer."

Contrary to this, the day before yesterday, another "relevant government official" said that "the phenomenon of North Koreans' remarkable malnutrition is clearly taking place." Then, which side on earth is the official position of the government? We call on both the government, which has leaked incorrect and contradictory reports concerning the insurance money, and the media, which hastily carried such reports, to use the recent commotions as an occasion for their self-examination.

ROK Article Discusses 'Alliance' of Opposition

SK1406145996 Seoul CHUGAN CHOSON in Korean
5 Jun 96 pp 8-9

[Article by reporter Sin Chong-nok: "'Handshakes for the Presidential Power' Between Kim Tae-chung, Kim Chong-pil, and the Taegu-North Kyongsang Province Faction"]

[FBIS Translated Text] Will Kim Tae-chung and Kim Chong-pil join hands? Kim Chong-pil, president of the United Liberal Democrats [ULD] and "the core of the conservative forces" who led the era of development after participating as a culprit in the 16 May military coup, and Kim Tae-chung, president of the National Congress for New Politics [NCNP] and the forerunner of the first generation of pro-democracy movements, who suffered various ordeals after running for the presidency in 1971, now are equally faced with the reality that it is difficult for the two to succeed in seizing presidential power with their own independent strength in the presidential election in December of next year. At the same time, the Taegu-North Kyongsang Province [TK] Faction is also struggling to maintain the presidential power it has had for 30 years.

The call for binding together these three parties has been raised on a full-scale among key officials in the NCNP and ULD. This binding is what they called "a new alliance between Silla and Paekche" [ancient Korean kingdoms]. Until recently, an alliance between these three parties could hardly be imagined in the political realm, where even the motto "nothing is absolute" worked. However, the political structure that resulted from the 11 April general elections is leading the three factions toward collaboration in a natural manner.

The joint rally held in the Boramae Park in Seoul on 25 May was a symbolic event of their collaboration. That day, Kim Tae-chung and Kim Chong-pil praised each other highly, and impugned President Kim Yong-sam in the same, unanimous voice. It was first time in their 30-year-long political history that the two Kims had stood on the same platform.

The main theme of the day's rally was "the rally for defending the popular will reflected in the results of the 11 April general elections," and the purpose of the rally was to censure the New Korea Party's [NKP] scouting out the assemblymen-elect from opposition parties and independents. However, what attracted people's attention most was the fact that the joint rally was being held at a time when the issue of an alliance between the two parties toward the goal of next year's presidential election was being briskly discussed. In other words, the rally that day can be interpreted as the starting point for

a cooperative system lasting over a long period of 18 months toward the presidential election in December of next year.

The topic of conversation off stage was the theory of an alliance, which has recently been positively put forward by key officials of the opposition parties.

The representative officials supporting the theory of an alliance are mainly the non-mainstream groups in the opposition parties, including Cho Se-hyong, assemblyman from the NCNP; Yi Chong-chan, vice president of the NCNP; Pak Chun-kyu, senior adviser in the ULD; and Pak Chol-on, vice president of the ULD. However, in addition to them, close core associates of the two Kims are also examining the possibility of an alliance, as well as its advantages and disadvantages.

Although there is a slight difference among those discussing the issue of an alliance regarding the theoretical view on its methods, the main point is the unification of the presidential candidates for next year's presidential election on condition of a revision in the Constitution favoring a cabinet system. In other words, the presidential candidates, whether they be Kim Tae-chung, Kim Chong-pil, or a third person, should be unified into one, and a Constitutional amendment toward a cabinet system during the next president's term of office should be a precondition. This is regarded as a theoretical conclusion made on the basis of a realistic judgment that "the division of power" would be the only way for survival in a time when seizing presidential power through their own independent strength is practically impossible.

It seems that the core mainstream figures in Kim Tae-chung and Kim Chong-pil's factions have not finalized their sure positions toward the issue of unifying the presidential candidates and of a constitutional revision. In other words, they are presently sounding out each other's intentions and calculating their losses and gains. Nevertheless, the main flow has been perceived. The crux of the issue is what share and what degree of power each faction will have in the event power is divided.

Since the 27 June 1995 local elections, Kim Tae-chung has displayed a deft tightrope balancing act regarding a parliamentary cabinet system. During the local elections, he declared: "In view of our realities, I think the presidential system is good, but I can accept the cabinet system if the people want it." After his party won a victory in the 27 June election, however, he declared his return to the political arena and stipulated a presidential cabinet in his party's constitution. In this regard, people inside and outside the party criticize Kim Tae-chung as using the parliamentary cabinet system as a stepping-stone to his return to politics.

After the 11 April general elections, his attitude changed again. He has made successive remarks causing an assumption that he may accept a parliamentary cabinet system. For example, he mentioned "a power shift to another region" and "the adoption of a nationwide parliamentary cabinet system." While lecturing as a one-day teacher at a Seoul high school on 15 May, Teacher's Day, he said: "The phrase 'three-top politics' mentioned by Chong To-chon of the Yi Dynasty means today's parliamentary cabinet system." He also mentioned the parliamentary cabinet system in a communique issued following the 3 May meeting with Kim Chong-pil.

However, many people inside and outside the party consider that those remarks by Kim Tae-chung do not indicate he will accept a parliamentary cabinet system, but that they are his peculiar tactic for coping with an emergency. That is, Kim is believed to be trying to tone down the voices calling for an alternate and lull potential forces that may leave the party by increasing the possibility that he will assume power through a parliamentary cabinet system. This is similar to moves he showed before returning to politics.

His remarks on "adopting a nationwide cabinet-oriented system" are understood in the same vein. He considers it possible to employ a nationwide cabinet-oriented system within the boundaries of the current Constitution. This means if he is appointed as the single candidate for the 15th presidential election and succeeds to power, he will be willing to name some ULD lawmakers as ministers. This is significant, because for the first time Kim Tae-chung has presented the "share of the pie" he may offer to the ULD. It is also highly probable that he will enlarge the size of the pie for the ULD. He may stake it to acceptance of a parliamentary cabinet system at the last moment.

However, many others believe this will not happen in light of Kim's political career and activities. It is also highly probable that Kim Tae-chung will completely give up the alliance with the ULD at any point, if his victory is anticipated with the successful unification between the two parties through absorption.

Meanwhile, Kim Chong-pil has not expressed his position on the revision of the Constitution advocating a parliamentary cabinet system. Those close to Kim Chong-pil say they cannot believe Kim Tae-chung. A ranking ULD official said: "We may agree to select a single presidential candidate, but how can we believe NCNP President Kim Tae-chung's promise to revise the Constitution during the 15th presidential term of office?" With regard to a single presidential candidate, those close to Kim Chong-pil assert that he should be selected as the

candidate of the opposition parties. That is, they will not give up candidate Kim Chong-pil until the last moment.

It seems that the Kim Chong-pil camp also doubts Kim Tae-chung's remarks on the "possible adoption of a nationwide cabinet-oriented system." This doubt is egged on by the historical background of their distrust in Kim Tae-chung. When Kim Yong-sam achieved a final victory in the fight over the presidential candidacy after overthrowing the agreement on a parliamentary cabinet system during his days in the former Democratic Liberal Party, Kim Chong-pil supported Kim Yong-sam under the two conditions that "after assuming presidency, Kim Yong-sam would promote a Constitutional revision on adopting a parliamentary cabinet system at an appropriate time during his term of office," and that "if it is difficult to do so, Kim Yong-sam would adopt a nationwide cabinet-oriented system." At that time, Kim Yong-sam nodded in assent to this, without giving a verbal answer. This was the "paperless verbal agreement" between Kim Yong-sam and Kim Chong-pil. However, Kim Yong-sam did not keep to the agreement. It is difficult for Kim Chong-pil, who had this experience in relations with Kim Yong-sam, to accept Kim Tae-chung's promise to adopt a nationwide cabinet-oriented system as a condition for selecting a single presidential candidate.

The interests of TK, which happens to be involved in these dilemmas, are different from those of the two Kims. The supreme goal of TK, which has no distinguished presidential candidate, is securing the largest possible share in dividing power. This is the reason TK is the most active in the efforts to revise the Constitution for a parliamentary cabinet system.

Therefore, the future of the alliance between the NCNP and ULD depends on how the fight between Kim Tae-chung and Kim Chong-pil over sharing power will develop. If the two Kims consider the shift of power as a primary concept, it is highly likely that the alliance between the two parties will last until next year's presidential election. In this situation, it is also quite possible that as a result of negotiations, "a third candidate" will appear to promote the Constitutional revision for a parliamentary cabinet system. In this case, the Cholla Provinces, Chungchong Province, and TK will form a "new three-party alliance." However, if each of two Kims adheres to the idea that "ultimately I will be the single candidate," the alliance between the two parties will suffer the fate of a ship to be wrecked. As expected, the result depends on the fight over the sharing of power.

ROK: Article Analyzes Possible Opposition Alliance
SK1506132496 Seoul SISA JOURNAL in Korean
 6 Jun 96 pp 12, 13

[Article by O Min-su]

[FBIS Translated Text] Now, Poramae Park in Seoul is no longer the exclusive ballpark for Kim Tae-chung, president of the National Congress of New Politics [NCNP]. Kim Chong-pil, president of the United Liberal Democrats [ULD], lingered around power all his life, but for the first time has thrust himself into a struggle. On 26 May, he held a rally at Poramae Park to defend the results of the people's choice in the 11 April general election. In a joint speech, President Kim Tae-chung said: "I never dreamed I would make a speech standing side by side with President Kim Chong-pil. We owe our alliance to President Kim Yong-sam's civilian dictatorship."

The two party presidents showed off their alliance through the Poramae rally in protest to the New Korea Party [NKP] and President Kim Yong-sam, who achieved the goal of winning a majority in the National Assembly. Aides of the two presidents are busy working on the alliance "never dreamed of." Their goal is obvious: paving way toward the 1997 president election. The work has been accelerated since DJ [Kim Tae-chung's initials] raised the issues of shifting power between regions and forming a pannaational parliamentary government system.

Opposition leaders are making various remarks on the parliamentary government system. Aides of the two party presidents frequently give public statements, as if their duty is to create an atmosphere suitable for their bosses' intention.

"In order for the opposition party to take over power, the NCNP should flexibly accept a new government system." (Cho Se-hyong, vice president of the NCNP) "An alliance of opposition parties and regions is necessary to achieve a power shift within the century. We will take initial steps to dilute the preference for the presidential government system." (Yi Chong-chan, vice president of the NCNP) "In case an opposition party takes power, the constitution can be revised in a transitional way, preserving the existing clauses on the prime minister's recommendation of ministers, and then shift to a parliamentary system." (Pak Chol-on, vice president of the ULD)

In fact, different factions and politicians of the ruling and opposition parties have different theories on the parliamentary government system depending on their interests. The core, however, is simple. In summary, DJ's Cholla Provinces, JP's [Kim Chong-pil's initials]

Chungchong Provinces, and the Taegu and North Kyongsang areas, which are divided into pro-opposition and pro-ruling parts, are making a sort of political test to see whether an alliance under the premise of power sharing is possible. Of course, there is still much time before full-fledged presidential campaigning begins. The alliance requires many more things "never dreamed of." Therefore, political circles are paying attention to matchmakers' behind-the-scene negotiations. Under the present political situation, the politicians cannot help but rely on the political power of the matchmakers. The regional backgrounds and political color of the three alliance seekers are entirely different. Unless they trust each other, an alliance will be difficult.

DJ's card of a power shift between regions and pan-national parliamentary government system was the key content of a report written by Professor Na Chong-il right before the general election. DJ had been certain of victory in the general election and did not pay much attention to Professor Na's recommendation, but "recycled" the buried report after the defeat in the general election. The report summarizes the discussions at the "East Asia Forum" in which Professor Na and other 10 social science scholars participated. Some of the attendees are negative about DJ's return to politics.

Professor Na also played a major role in organizing the Poramae rally. Professor Na met with Chi Taesop, lawmaker-elect of the ULD and Na's close friend, and mapped out the anti-YS [Kim Yong-sam's initials] alliance. He reportedly also coordinated between the two parties. Of course, Professor Na's role was fully supported by DJ. Na works for the enthronement of DJ without having any personal interest, which is rare among scholars. DJ reportedly listens to Na more than his aides.

Unlike Kim Sang-hyon, Chong Tae-chol, Cho Se-hyong, and other party leaders revolting against DJ, party vice president Yi Chong-chan is deeply involved in the preparations for DJ's presidential campaign. He was given the special mission of the general election planning along with Pak Chi-won, chief planner. Vice President Yi will have a separate office on the third floor of the Asia Pacific Foundation building to work on the presidential campaign. These days Vice President Yi is talking about initial steps for the parliamentary government system. He does not deny that his role is to contact the democratic liberal faction within the ruling party using the parliamentary government card. He stressed that he is DJ's behind-the-scenes contact with the ruling circles, saying: "Contact with the ruling circles? That is me. I know many people."

Many politicians worked for two bosses, but the case of Han Yong-su, vice president of the ULD, is special. Vice President Han was once called the tactician of the Tonggyo-tong corps [Kim Tae-chung faction]. After he left DJ, he roamed about in several parties and settled down with the ULD and became a real power among JP's aides. He is one of the few politicians who reads the minds of both DJ and JP. He interprets DJ's theory of a power shift between regions and the pan-national parliamentary government system as a move toward the parliamentary government system. He said: "The two Kims are masters of politics. They do not need secret behind-the-scenes envoys to understand each other and form an alliance. However, an unexpected intraparty problem may become a big issue, so they need someone to stand up on their behalf to dismiss suspicion." He believes he is the right man to eliminate the barrier between the two parties. Vice President Han frequently meets with DJ's aides. He conveys their opinion to JP and gives him advice.

When assessing the relations between DJ and Pak Chol-on, the vice president of the ULD who proudly calls himself the boss of the new TK [Taegu and Kyongsang] faction, one person worth noting is Chi Taesop, lawmaker-elect of the ULD. When Vice President Pak was regarded crown prince during the Sixth Republic, Chi was a confidant of the Wolgyesuhoe [organized by Pak Chol-on]. During the Fifth Republic, Chi worked as the ruling party's nonparliamentary chairman of the district party chapter in Kwangju, which is a DJ stronghold. Chi is familiar with many NCNP figures. He even went on an overseas trip with Professor Na Chong-il, who is an unofficial policy adviser to DJ. Prior to the general election, Chi had an in-depth conversation with DJ over a breakfast meeting.

Of course, a marriage does not entirely rely on matchmakers. The decision is up to the two Kims and the TK faction. Nevertheless, political matchmakers are having their best days, because people believe that in the current situation, no one can assume power by himself. A good matchmaker gets a drink, and a poor one gets a slap. We will wait and see whether the political matchmakers get a drink or a slap.

ROK: NCNP-ULD Alliance Temporary 'Marriage of Convenience'

SK1606041796 Seoul THE KOREA HERALD
in English 16 Jun 96 p 2

[Article by staff reporter Sin Yong-pae: "NCNP, ULD Partnership May Break Apart Over Goals"]

[FBIS Transcribed Text] Opposition leaders Kim Tae-chung and Kim Chong-pil are frequently mentioned by

their initials — D.J. and J.P. [per alternative romanization Kim Dae-jung, Kim Jong-pil.] But they are now often being called DJP.

This new coinage is symbolic of the level of cooperation between the two opposition leaders in their fight against President Kim Yong-sam and his party, the New Korea Party.

That cooperation intensified when they allied themselves in the battle against the ruling party in the new National Assembly earlier this month.

Their partnership began soon after the April general elections, in which no party won a parliamentary majority.

Angered by the arrest of one of his party's lawmakers-elect on charges of illegal electioneering, Kim Chong-pil met Kim Tae-chung early last month and agreed to join forces.

Then the two leaders accused the ruling camp of using law enforcement and other methods of intimidation to press opposition and independent lawmakers to join the ruling party, which was seeking a post-election parliamentary majority.

The alliance is a marriage of convenience for the two opposition leaders who hold disparate ideologies and political backgrounds.

Under the iron-fisted rule of the late President Pak Chong-hui, Kim Chong-pil was the No. 2 man in the ruling camp while Kim Tae-chung was the opposition leader.

Late last month, in a show of cooperation, the two Kims' parties held a joint mass outdoor rally in Seoul to protest against the ruling party's recruitment of lawmakers.

They also worked together when their parties clashed against the ruling party over the formation of the new National Assembly leadership early this month.

The opposition managed to put the inaugural session of the National Assembly into recess as soon as it opened, thus preventing the ruling party from putting its speaker nominee to vote.

Despite its majority status, the ruling party has since tried in vain to proceed with a plan to elect its nominee to the post of the National Assembly speaker in the face of the opposition's blockade.

That led the ruling party to contend that the standoff in the National Assembly is the work of the two Kims, who it said wish to gain an upper hand ahead of next year's presidential election.

To cement their relationship, lawmakers of the two opposition parties held joint caucuses several times before the National Assembly went into recess last Thursday [13 June].

Their partnership expanded into policy coordination. The opposition parties teamed up when they called on the administration last Friday to scrap its plan to import high-quality rice for unprocessed consumption.

But now, attention is being drawn to how long the cooperative relations will last.

The question is closely related to the two Kims' path toward next year's presidential election.

If the two Kims fail to agree on a single opposition presidential candidate, their cooperation will be certainly short-lived.

But the two opposition leaders may be able to pull off a compromise and agree to share power.

Kim Chong-pil has said he will join hands with any force supporting the parliamentary system of government his party advocates, in which the president remains as the ceremonial head of state while the prime minister controls the administration.

Kim Tae-chung has so far opposed a constitutional revision on changing to a parliamentary government system.

The two opposition parties differ in assessing how long they will remain allied with each other.

Kim Tae-chung's main opposition National Congress for New Politics (NCNP) appears to be wanting the partnership to last until the presidential election.

"Our two parties may be destined to be on the same boat. The final destination of the boat will be victory in the presidential election. Let's march toward the goal," Rep. Cho Chan-hyong of the NCNP told a joint caucus of lawmakers of the two parties last Thursday.

But the United Liberal Democrats is perceived to be less enthusiastic about the idea of maintaining the partnership until the presidential election in December next year.

"I don't understand why it (the NCNP) is including the presidential election in the issue of the opposition's cooperation," Kim Chong-pil was recently quoted as saying.

ROK: Factory Owners Arrested, Indicted for River Pollution

SK1506032896 (Internet) The Digital Chosun Ilbo
WWW in English 1207 GMT 14 Jun 96

[FBIS Transcribed Text] The Uijongbu Branch of the Seoul District Prosecutor's Office arrested 10 factory owners and indicted 29 more without custody on Friday [14 June], under the suspicion of illegally disposing of toxic waste through a secret pipeline emptying into the Hantan River, resulting in massive deaths of the river's fish. The Prosecutor's Office also issued search orders for six factory owners who have gone into hiding.

Those indicted have been under suspicion since last April, for illegally releasing unpurified waste water into the Hantan River under the cover of night.

ROK: Hantan River Toxic Pollution May Threaten Drinking Water

SK1606035696 (Internet) The Digital Chosun Ilbo
WWW in English 1214 GMT 15 Jun 96

[FBIS Transcribed Text] Toxic waste illegally dumped into the Hantan River continues to kill thousands of fish as it flows downstream into the Imjin River. Of immediate concern is its approach to the water intake facility, which is used to provide drinking water to citizens.

Thirty fishermen petitioned Paju City Hall on Friday [14 June] afternoon, requesting compensation for damage to the fishing industry.

ROK: 'Worsening Contamination' of Northern ROK Rivers Viewed

SK1706031396 Seoul THE KOREA TIMES in English
17 Jun 96 p 1

[By staff reporter Sin Hak-nim]

[FBIS Transcribed Text] The discharge of huge amounts of untreated wastewater from homes and factories as well as excrement from livestock farms are killing uncountable numbers of fish and many other species of wildlife in many of the nation's major rivers.

The worsening contamination of rivers and streams in the northern part of the country is even threatening the purity of the piped water sources of nearby residents, alarming citizens and environmental authorities.

To their surprise, the Hantan and Imjin Rivers, which have so far been regarded as less polluted compared with other sources of drinking water, are rapidly being polluted with untreated industrial and municipal wastewater.

The serious water pollution of the Hantan River, which flows across the demilitarized zone (DMZ), was wit-

nessed early last week when dead fish, including silver carp, drifted along the upper reaches of the river near Chongok in Yonchon County.

Water contamination spread to the lower reaches of the Imjin River, which flows along the DMZ into the West Sea.

Dead fish were also found floating along the lower reaches of the river near Munsan at the entrance to the truce village of Panmunjom over the weekend.

The piped water system in Munsan which provides potable water to some 90,000 residents in most of the Paju area is being threatened by the serious contamination of the water in the Imjin and Hantan Rivers.

As water pollution worsened day by day, state prosecutors arrested 10 heads of small business firms which were found to have released untreated wastewater into the streams leading to the two rivers.

The Uijongbu Branch of the Seoul District Prosecutor's Office also booked heads of 29 other businesses without physical detention and placed six others on the wanted list.

Most of the firms whose representatives were arrested or face arrest are producers of leather and other garments materials and use huge amounts of dyes containing toxic substances.

With the expansion of river pollution, local administrations on the lower reaches of the rivers are harshly criticizing those on the upper reaches for their failure to take proper steps to prevent or stem the pollution.

An official from the Yonchon County office alleged that the Hantan River contamination was caused by the failure to control wastewater from some 600 leather and dyeing factories in Tongduchon City and Yangju County, terming it "an annual environmental catastrophe."

Pochon County officials also argued that industrial wastewater amounting to 2,000 tons a day and huge volumes of untreated excrement from livestock farms are being discharged into the streams leading into the Hantan River.

In the meantime, excessive amounts of untreated wastewater from nearby factories on the lower reaches of the Nakdong River were discharged into a sewage plant in the Saha District in Pusan from Thursday.

The large amounts of water paralyzed the sewage plant and subsequently made it inevitable that some 300,000 tons of untreated wastewater will flow into the sea, thus raising the possibility of further red tides off the south coast.

Burma

Burma: SLORC's 'Involvement' in Drug Trade Viewed

BK1706123196 (Internet) BurmaNet News in English
13 Jun 96

[Article by Francois Casanier: "A Narco-Dictatorship in Progress"]

[FBIS Transcribed Text] The peaceful entry of Burmese troops into Ho Mong and other strongholds of Khun Sa's private Mong Tai Army (MTA) during the first days of January 1996 was an exceptional public demonstration of the failure of the international community's "War on Drugs."

Four months later, the assessment is even less encouraging. More than amnestied or rehabilitated, Khun Sa has been publicly honored and dignified by the powerful generals leading Burma's military regime, the State Law & Order Restoration Council (SLORC). Furthermore, this red carpet treatment gratifying the most wanted heroin smuggler in the world has escaped criticism from any regional or international body. Instead, proceeding even further down the road toward normalization of relations with SLORC, the Director General of the United Nations Drug Control Programme (UNDCP), Giorgio Giacomelli, visited Rangoon in February to salute a newly created drug — repression organization.

What would have been the reactions of the international community and the world media if Pablo Escobar had been nominated honorary mayor of Medellin instead of being shot by elite Colombian troops assisted by U.S. Drug Enforcement Agents?

Khun Sa's honoring provides a rare opportunity to spotlight both SLORC's true approach to heroin economics with its three tiers of implication, and the "turn-a-blind-eye" attitude of the rest of the world—not only governments and the business community, but the media and human rights groups as well.

It is apparent that strict confidentiality and quick execution were key to SLORC's successful handling of Khun Sa, every move obviously thought out in detail. For example, by selecting January 1 as the surrender date it was hoped that U.S. satellite and field agent observations around the Salween River would not be too carefully scrutinized. If Burmese helicopter and truck movements had been studied by the Americans while they were occurring, as they would be during a period of normal activity, various "negative" reactions could have been anticipated by SLORC—ranging from early and strong U.S. pressure to get Khun Sa extradited, to the rebellion of numerous local MTA commanding offi-

cers refusing to surrender to what they consider a perfidy of their fight for an independent Shan state.

The surprise effect of New Year's Day served its purpose: the first significant U.S. reaction came only on January 5, with the release of a statement in Bangkok from Assistant Secretary of State for East Asian and Pacific Affairs, Winston Lord, who underlined that the non-extradition of Khun Sa to the United States would constitute a major setback in counter-narcotics efforts. The vigorous condemnation of SLORC's lenient attitude toward the most wanted and best known figure of the heroin trade contained in later reactions was not followed by any threat of sanctions, nor was it perceived by the business community as a discouragement for investment or tourism in Burma.

CONCLUSION OF A BRILLIANT STRATEGY

In Rangoon, it is no secret that Khun Sa's easy reintegration into the SLORC system can be considered nothing other than the brilliant achievement of a strategy initiated in 1989 by the cease-fire agreement signed between Lt. Gen. Khin Nyunt, SLORC Secretary #1 and head of the Directorate of Defense Services Intelligence, and the Wa leadership.

In 1989, less than one year after SLORC reasserted with extreme brutality the military's grip on Rangoon, the Burma Communist Party (BCP) imploded, its rank and file expelling the old Burmese leadership to China, and forming a new party, the United Wa State Party (UWSP) whose armed branch, the United Wa State Army (UWSA) requisitioned most of the BCP's uniforms, arms, ammunition and soldiers. The UWSP leadership quickly signed a cease-fire agreement with Rangoon, providing the Wa economic and military autonomy, thus protecting its commerce in opium and its derivatives. In exchange, the Wa recognized Rangoon's theoretical sovereignty over what they call the Wa State, located northeast of Shan State along the border of China's Yunnan province. The UWSP agreed not to enter into any alliance with rebel groups or members of the democratic movement opposed to SLORC.

The negotiating talents of General Khin Nyunt were also successfully applied to the cease-fire agreement signed in 1993 with an older guerilla movement, the Kachin Independence Organization (KIO), which inhabits territory traditionally known for poppy cultivation.

Within only seven years and for the first time since independence, the authority in power in Rangoon had permanent and open access to all the borders of Burma, with no armed group seriously contesting its supremacy. During this same period, opium output and heroin exports have tripled.

These cease-fire agreements have served as a real catalyst in the rapid transformation of the relationship between the Burmese Army and guerilla movements engaged in the drug business: Partnership has replaced armed confrontation; huge portions of territory in Shan State (in the northeast), previously battle fields between the guerrillas and Rangoon, have been turned into poppy fields to such an extent that American and French satellite surveys have detected an explosion of poppy cultivation, especially in areas directly controlled by Rangoon.

FORCED NARCO-AGRICULTURE

It has been reported by eyewitnesses that SLORC officers posted in eastern Shan State have visited rural villages, encouraging farmers to plant poppies, explaining that it is the only real means for them to pay the taxes that would be collected after the year's harvest. (The level of taxation is so high that only opium production can provide the required payment). In some cases, in isolated hamlets located far from traditional poppy growing areas, the military delivers the poppy seed and provides technical assistance during the harvest. Forced labor in Burma is not confined to public works, railway construction or porters for the army. There is also a forced narco-agriculture. In this part of the country, all levels of the opium-heroin trade are directly controlled by special units of the Burmese army.

Official public statements condemning states for their drug involvement are extremely rare, but Mr. Robert Gelbard, U.S. Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, said in Bangkok on June 7, 1995, that "significant" poppy growing is developing in areas controlled by the Burmese government. This reality was also recognized by the U.S. Department of State's Bureau of Narcotics & Law Enforcement Affairs in its International Narcotics Control Strategy Report of March 1995: "Burma remains the undisputed leader in world illicit opium output, providing over 50 percent of known global illicit production... and the government of Myanmar [Burma] continues to treat counternarcotics efforts as a matter of secondary importance."

Such was the Burmese drug-landscape before the Khun Sa agreement. This last move completes the picture: The methodical installation of a military-narco dictatorship.

A second level of the military-narco web was observed at the beginning of the nineties. Relatively primitive, it was based on the recycling of hard currencies: Thai Baht and U.S. Dollars. The Thai border town of Mae Sai is linked by a bridge to her Burmese sistertown, Tachilek, on the opposite bank of the river. Dozens of

bank accounts opened in the local banks were regularly and systematically funded in cash, with huge amounts of money being transferred to anonymous bank accounts in Bangkok and Singapore every week.

Tachilek is somewhat unique in Burma: it has the only airport that can be reached by foot from another country with a sophisticated economy. Every flight from Rangoon or Mandalay carried its lot of Burmese of officers who were bringing parcels of bank notes over the bridge, linking Tachilek to the international banking network. The majority of this money came from the heroin trade. Commissions, protection, transportation costs, fees — all means of pumping money from the only locally profitable cashcrop were progressively set up by the Directorate of Defense Services Intelligence along with a dozen or so former high ranking field officers, each continuing to maintain his respective network.

A third tier was recently discovered in Taiwan at the end of March 1996. According to a dispatch from China News, Chang Lien Hsing, a cousin of the opium war lord Khun Sa (whose Chinese name is Chang Chi Fu) was arrested for drug trafficking on March 25. The arrest took place near the Keelung train station immediately after Myo Lwin Myint, a crewman from a Burmese cargo ship, was handed US\$3,000 by Chang for bringing heroin to Taiwan. Chang Lien Hsing had been in Taiwan as an overseas-Chinese student for years.

This is a very interesting piece of information, which demonstrates that collaboration between SLORC and Khun Sa did not start on January 1. It is well known that SLORC's intelligence apparatus strictly controls the activities of Burmese seamen. In 1992 for example, SLORC's agents were able to kidnap, without opposition, a group of Burmese crewmen at Singapore's International Airport who were trying to escape their slave-like conditions on board a Burmese cargo ship. So, it is highly unlikely that this exchange in Taiwan could have taken place without SLORC's knowledge.

THIRD TIER CONNECTIONS

The third level of the SLORC-Khun Sa heroin connection, should be considered as a sector of a wider web, linking other well-known heroin operators to Burmese Intelligence. In its International Narcotics Control Strategy Report of March 1996, the U.S. Department of State declared: "Leaders of these drug-trafficking armies have benefitted immensely from their good relationships with the Rangoon regime; their businesses—legitimate and illegitimate— have prospered. The top traffickers of these ethnic groups are: U Sai Lin (aka, Lin Ming Shing) of the Eastern Shan State Army (ESSA); Yang Mao

Liang, Peng Chia Seng and Liu Go Shi of the Myanmar National Democratic Alliance Army (MNDAA-Kokang Chinese); Pao Yu Chiang, Li Tzu Ju, and Wei Hsueh Kang of the United Wa State Army (UWSA) and U Mahtu Naw of the Kachin Defense Army (KDA). The SLORC has given significant political legitimacy and now refers to them as leaders of national races. Several major traffickers now participate in the government's national constitutional convention in the guise of ethnic leaders."

SLORC'S BLACK MONEY

It is often said that "small streams create large rivers." This saying is brilliantly demonstrated in SLORC's ability to channel Burmese heroin revenue into secret funds and private pockets. It is by the grace of these funds that SLORC has been able to re-equip and expand threefold its army since 1989, unofficially spending upwards of \$2 billion with an official currency balance of not more than \$250 million. (Off the record, World Bank experts will not deny the validity of this estimation.)

Between the private pockets of high ranking SLORC generals and their relatives on the one hand, and SLORC's defense spending on the other, it is practically impossible to determine where narco-dollars go. For instance, attempts to research the ownership of the new private airline, Air Mandalay, has met with little success. Based in Singapore, the new holding received loans from a French bank to operate a few French-and-Italian-made ATR aircraft. This commercial operation is considered to be a state secret in France and in Singapore, which allows the amount of the loan and the identities of the true shareholders of the Singaporean holding company to be concealed. This lack of transparency is paradoxical in a country like Singapore, which claims to apply very strict anti-drug policies, with systematic death penalties for small traffickers. It is also curious that Singaporean monetary authorities haven't uncovered a single case of money-laundering in the numerous financial and commercial operations between the two countries, despite the fact that the Far Eastern Economic Review, as far back as 1992, demonstrated that the only substantial source of hard currency for Burma was from the export of heroin.

Official sources consider Singapore to be Burma's largest single foreign investor. The question Singapore refuses to ask is: What portion of Burma's capital comes from the hard labor of poor peasants forced to plant poppy seeds? — a question that should apply to all those doing business with this regime.

(This announcement of prominent drug lord, Law Sit Hans son's marriage to a Singaporean businesswoman

recently appeared in the Burmese - language newspaper, KYEMON.)

ACKNOWLEDGMENT

The fourth son of U Law Sit Han and Daw Kyat Phone Shin (No. 20- 23, Masoeyein Kyaung Street, Mayangone Township, Rangoon) Maung Tun Myint Naing alias Steven Law, Managing Director Asia World Company Limited, and the third daughter of Mr. Ng Ah Koon and Madam Hong Or Tew Chua (17D Jansen Road, Singapore) Ms. Ng Sor Hong alias Cecilia Ng, S.H. Ng Trading (Singapore) would like to extend their heartfelt thanks to Lt. General Kyaw Ba, Minister of Hotels and Tourism (Ministry of Hotels & Tourism) and wife for their blessings; ministers, esteemed guests, family and friends for honouring them with their presence at their wedding reception held at the Inya Lake Hotel on March 16, 1996 Parents and relatives of both families and Steven Law-Cecilia Ng

Burma: SLORC's Tin U Urges People To 'Attack' Destructionists

BK1406150396 Rangoon TV Myanmar Network
in Burmese 1330 GMT 14 Jun 96

[FBIS Translated Excerpt] Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC], accompanied by Brigadier Gen. Khin Maung Than, commander of the Yangon [Rangoon] Military Command; Colonel Tin Hlaing, deputy minister of home affairs; senior officers of the Defense Ministry; and heads of departments left Yangon by car yesterday morning. They arrived at the Taikkyi Township Law and Order Restoration Council Office in Yangon Division at 0815. [passage omitted on briefings by responsible personnel]

At 0915, SLORC Secretary-2 Lt. Gen. Tin U and party attended and addressed the opening of the Taikkyi-Tawlati road held on the Taikkyi side of the eight-mile Taikkyi-Tawlati road. [passage omitted on attendees and township chairman's address]

In his address, Lt. Gen. Tin U said: The responsible personnel and I are here to honor the opening of the Taikkyi-Tawlati road and fulfill the needs of regional development. [passage omitted on benefits from the road and implementation of regional development programs]

Everyone knows that the SLORC, without taking a break, is working day and night for national development. It is necessary for the people to participate in this work. Community peace and tranquility is essential to implement the national development programs. The development programs cannot be implemented without

peace and tranquility in the community and the country. Previously, this area was not peaceful. Due to a lack of peace, this area lagged behind in development. Now we have implemented the development programs due to the prevailing peace in the area. It is necessary for local residents to attack all destructionists who destroy peace and tranquility. People who are envious of the peace, tranquility, stability, and progress of the state are airing their voices in different tones to cause disturbances in the country. The people should understand this situation and attack the destructionists. [passage omitted on address by Rangoon military commander and inspection tour]

Burma: SLORC's Khin Nynut on 'Destructionists'

*BK1606095096 Rangoon TV Myanmar Network
in Burmese 1330 GMT 15 Jun 96*

[FBIS Translated Excerpt] Lieutenant General Khin Nynut, chairman of the Myanmar (Burma) Education Committee and secretary-1 of the State Law and Order Restoration Council (SLORC), attended and delivered an address at the closing of Special Refresher Course No. 21 for Basic Education School Teachers held at the Central Institute Public Service's Training Hall at 0900 in Hlegu today. [passage omitted on attendees]

In his address, SLORC Secretary-1 Lt. Gen. Khin Nynut said: Everyone knows that since taking over the responsibility of state, the SLORC has introduced necessary reforms and plans for the emergence of a multiparty democratic system and a market-oriented economic system and has worked for the prevalence of law and order, peace, and tranquility in the state. The state is now transforming from one system to another system that is new and different. Therefore, the SLORC has laid down firm directives, policy, and precise objectives on a national scale and is working for systematic and step-by-step transformation.

Today we are systematically marching toward a national objective—that is, the emergence of a peaceful, tranquil, modern, and developed nation. Considerable success has been achieved because all of the nation's people have been taking part in this systematic march with a union spirit and in unity, and it is being carried out within the framework of the national policy—non-disintegration of the union, non-disintegration of national solidarity, and the perpetuation of national sovereignty—and in accordance with the political, economic, and social objectives.

It is obvious that, through mutual respect, understanding, and compassion, the SLORC has ended the jungle-based armed struggle, an adverse remnant of colonialism and servitude, and has firmly rebuilt national con-

solidation. Moreover, for a long-term guarantee of national consolidation and the non-disintegration of the union, the state is systematically holding the National Convention for the development of a state constitution. The discussions have been held in unity at the National Convention—which is attended by the systematically elected representatives among the national races from all over the country, including the peace-attained areas, and from the various class and strata in the society—to obtain and formulate the basic principles for a new constitution. These discussions are held in the long-term national interests. These basic principles for a state constitution, which are achieved through discussions by the people's representative from all walks of life in the country—including a national races delegates group—will not cause a dispute and discord among the national races in the future and will not allow the external elements to drive a wedge among the people and sow seeds of discord. In other words, the functions of the National Convention are to build strong foundations for the long-term existence of the state and for national consolidation.

On the other hand, it is also obvious that the SLORC is striving in every area for the development of the state's political and economic basis, and one can witness the success of these efforts. Nobody can deny the truth that, due to the peace, stability, and economic development of the state, people now have more opportunity to do business. People are happily participating in social, religious, and cultural festivities that are taking place all over the country, and people are cooperating in religious and other affairs.

It has been realized that, while people are enjoying the taste of peace and stability of the state and economic development, a group that does not want to see the SLORC's achievements is destroying and obstructing stability and the development of the state. It has also been learned that this group with a negative view is defining the state government's efforts, undertakings, and national constructive development works in an adverse way. It is also engaging in lies to belittle the state government and is making fabricated accusations to create misunderstanding. Everyone has heard that this group is shouting aloud to halt international assistance to Myanmar, to isolate and end dealings with Myanmar, to end investment in Myanmar, and to impose economic sanctions on foreign companies investing in Myanmar. From the Myanmar (Burmese) people's point of view, the act of begging foreign countries to implement this kind of destructive action against the country is considered a degrading and ugly act. It is like blocking the interests of the people while thinking only about the interests of oneself and one's organization. The act

of requesting foreign elements to pressure Myanmar in order to embarrass and put the state government in a tight corner, to destroy the security of the public and their smooth economy, shows a lack of patriotism. It has been carried out with a degrading view. Patriotic people should resent this interference in the state's internal affairs by foreign countries that have no blood relations with us and are different from us.

The people of Myanmar have witnessed the genuine goodwill and undertakings of the state, and one can see everyday that people are supporting the SLORC's constructive national development works at mass rallies. You have also been hearing on a daily basis that people are expressing their desire to oppose, attack, and destroy the acts of foreign countries that are interfering in the state's internal affairs and to annihilate the internal minions relying on foreign elements.

Due to working day and night without a break, the state is now on a path to a peaceful, tranquil, modern, developed nation. I want to say that the SLORC will never allow the destruction of this path by any obstruction from a group of people who are trying to break the drum over not getting a leading role in a play. While we cannot allow the outcome of internal peace that has been built through magnanimity and through giving importance to state interests to be affected, at the same time, we will never allow the destruction of the National Convention's success, which is striving for the emergence of a state constitution and will also guarantee national consolidation and the long-term existence of the state. That is why not long ago the law protecting the stable, peaceful, and systematic transfer of state responsibility and the successful implementation of functions of the National Convention from hindrances and oppositions was promulgated—in order to effectively protect the stable, peaceful, and systematic transfer of state responsibility, the successful implementation of functions of the National Convention, and the emergence of a peaceful, tranquil, modern, and developed nation.

Due to the prevailing conditions in the state, I would like to urge teachers not only to nurture young students to become modern educated youths but to also instill a patriotic spirit, union spirit, and spirit of national consolidation in their hearts and minds. Nurture them as patriotic youths who will vehemently reject the influence and interference of foreign elements. Instill in them the courage to attack and annihilate the race-dishonoring minions who are inviting and welcoming the foreign powers. There is a danger of interference

from the foreign elements and plans by internal minions for destruction. That is why I would like you to actively participate in defending, preventing, and attacking all the dangers and threats against the state by transforming the genuine basic forces of the state—the forces of all the national races and people in the state—into a firm and united national force.

In conclusion, I would like you to participate and discharge your duty from an appropriate place for the successful implementation of the political, economic, and social objectives for the emergence of a peaceful, tranquil, modern, and developed nation. Continue the work to ensure the stable and peaceful pursuit of education to implement the state's education policy and objectives. Organize the students to attack and annihilate with patriotism the danger of destructionists who are destroying the stability of the state and are obstructing the national constructive development works. Participate and work from an appropriate place for the success of the National Convention, which is working for national consolidation and the long-term existence of the state. Organize and lead the students to participate in the national efforts of the Union Solidarity and Development Association, which is building a new nation while regarding and crushing the internal and external destructive elements as a common enemy by uniting the national races and people as a national force. Also work to preserve the great noble objectives of the refresher course. [passage omitted on award, certificate, donation presenting ceremonies]

The ceremony ended at 0945. Lt. Gen. Khin Nyunt, ministers, and party then left the institute in the morning after having lunch with the trainees.

Burma: NLD MP From Myittha Constituency Resigns

BK1606141996 Rangoon Radio Myanmar in Burmese 1330 GMT 16 Jun 96

[FBIS Translated Text] U Myo Myint of the National League for Democracy [NLD], who was elected as a People's Assembly representative in the Myittha Township Constituency-2, Mandalay Division, has submitted his resignation of his own free will to withdraw as an elected representative. The Multiparty Democratic General Election Commission has accepted his resignation in accordance with Section 11, Subsection E of the People's Assembly Election Law.

Burma: Suu Kyi Gives 8 Jun Public Address in Rangoon

BK1506120196 (Internet) BurmaNet News in English
12 Jun 96

["Translation of Public Address" by Aung San Suu Kyi delivered in front of her residence in Rangoon on 8 June]

[FBIS Transcribed Text] (In the period before the speech began, someone repeatedly came on the public address system asking the crowd to follow traffic regulations, cross at the zebra stripes, etc. He said: As on every weekend, let's be disciplined; we expect you to help us by being disciplined. The crowd responded with applause.)

The first thing I must talk about is last night's announcement, published in today's newspaper. We will let you know about the NLD's [National League for Democracy] position regarding the announcement once we have made a decision. We haven't come to a conclusion as yet. As you know, the National League for Democracy is a democratic organization. We first hold discussions, so I'm not in a position to say what our stance will be.

But there are some things we have to mention. For example, the law says they will not accept any criticism that might affect the peace and stability of the nation. As for us, we have never spoken against the (four points mentioned in the decree). Everyone knows this. We have never spoken against those four points and never will. We always talk about the rule of law and try to persuade the authorities to do what is necessary to bring about the rule of law. We have never said anything that would have a negative effect on the rule of law. We always speak about how important the law is in a country and in society. We repeatedly say that the law must be equal for all. That comment addresses the rule of law. If we talk about the rule of law, we are also promoting peace and stability in a community because, without the rule of law, there can be neither. That's why we consider whatever we say regarding the rule of law as also touching on the peace and stability of the community. Only when there are the rule of law and peace and stability in the community will there be a stable nation. All of these are interrelated. We are holding these people's fora for the sake of these things (applause).

Our conscience is clear. We always tell our audience to be disciplined, to maintain order. Why do we do that? Because we want peace in the nation, and only if each and every individual is disciplined will there be peace and stability in the nation. Only when there is true rule

of law will there be a peaceful nation (applause). If they really desire the nation's stability then we consider them our friends, for we don't consider anyone our enemy. I can assure you that slogans directed against community peace will never emanate from this audience (applause)

We gather here because we all want democracy. When we say we want democracy, we are not referring simply to a goal we want to reach. It is in fact a means through which we can bring about prosperity for our country. That's why we want democracy for our country. That's why we long for it and appeal for it. To further the peace and prosperity of the country is the responsibility of the people in this country (applause). May I state this clearly: I want be the kind of citizens who know their responsibilities. The citizens of this country must first of all know their responsibilities and then carry them out dutifully. Only such citizens can build a democratic country. I truly believe this.

But there are some who don't believe in their countrymen and women (applause) and doubt whether the people can carry out their responsibilities. There are people both in Burma and abroad who doubt whether the Burmese are fit for democracy. Both domestically and abroad. But we believe the people have the ability. If people work in the proper way, they will reach their goal (applause). I have been working with this conviction in mind. We had to travel a long path in our independence struggle too. For everyone who participated in the independence movement, they know what it is to travel the long and rough road. I have repeatedly said, you cannot obtain something previous easily. That is why we are prepared to struggle for something previous. This is not something we can say once for all time, because we have to try over and over again.

That's why courage and perseverance go hand in hand. There are times when you have to be brave only once and other times when you have to be brave over and over again. To be brave repeatedly means perseverance. I spoke in the past about courage, courage to begin something, courage to build up one's abilities, the courage, when you encounter obstacles to overcome those obstacles, and finally the courage to continue on until you reach your goal (applause).

When the people gather here on account of some particular development, I believe they want to hear about whatever special factor draws them here. That is only natural. That is why I am talking about our program for democracy. But some people misinterpret us. Our democratic cause is not designed to attack anybody. But no matter how much we say this, they don't believe us. But we have to repeat this, so that the people and the international community will come to

understand our goal and methods. For example if foreign journalists come here four or five times a day and keep asking the same questions, and the same person is answering it becomes a bit monotonous. But it still has to be done because this is our responsibility. People need to explain their actions. This is democracy. Any democratic organization cannot just do things arbitrarily. They have to explain their actions (applause). That is also why we so frequently explain things to the people. For the regulars here this may also be a bit monotonous, but we have to do this for the sake of the non-regulars. It is analogous to my answering the journalists.

The other reason for repeating our message is that we must not lose sight of our goals. It is necessary that we repeat over and over our goals and our intentions. For people hearing this repeatedly, I believe they will be patient, for I believe in the political maturity and open-mindedness of the people. Last week I also said that, if some of our actions are not altogether clear, people will be understanding about what we are having to go through, the struggles we have to face. It is because we believe in the people that we are working toward a system that respects the will of the people. If we did not have faith in the people we wouldn't be working toward a system that respects the will of the people (applause).

When I say that to believe in the people I mean that they have the ability to decide what is best for the country and that they have the ability to work toward what is best for the country (applause). I want you to understand how heavy the people's responsibility is. Don't be discouraged by this responsibility. Don't be discouraged that some people who want to take up that responsibility don't get the chance. Whenever you get the chance, take it up as a privilege (applause). I want people to understand that, the greater the people's responsibility, the greater it is a test of the people's ability (applause). That is why it is incumbent on me repeatedly to urge you to work toward a system that reflects the will of the people (applause).

As for the NLD, also we have to repeatedly examine ourselves to make sure we are an organization that can carry out the will of the people. We cannot think that whatever we do will succeed just through a one-shot meeting. We have to gauge the situation every day and consider what is the best thing to do and decide as a group what we will do. We work on the basis of consensus in making our decision. That has been our practice since the founding of the NLD and it will continue to be so (applause). In the NLD there is no single person wielding the authority. Some people approach me using me to do things, but I have to tell them that what they ask has to be put up to the executive committee, that I can't decide things alone.

If they are making a worthwhile proposal I put it up to the executive committee, and if it is accepted by the majority, it can be implemented. If it is not a good proposal, I don't present it to the executive as is our common practice. In making our consensus decisions, we have the people first and foremost in mind. What is best for the majority, what is the will of the majority — our decisions must be in line with the will of the people and contribute to the welfare of the nation. That is how we make our decisions. I'm saying this because I want people to know how the NLD makes its decisions.

In any country, it is not always easy for change to take place. For example, it is fairly easy in stable democratic countries because in those countries it is easier to arrive at a popular consensus. In countries where democracy is not developed, we need to put in a greater effort. But having to persevere and make that effort, I believe, will be of benefit to the country in the long-run (applause). People who have walked the hard, long, rough road — their feet become hardened and strong. Similarly, I believe our people, who have to face yet more struggles, will become people who understand their responsibility and are able to carry it out more effectively (applause).

Last week, I mentioned that we were criticized for speaking ill of the government, so I invited the audience to write in with whatever good points they could think of that the SLORC [State Law and Order Restoration Council] has done. People were very obliging, as they always are, regarding my request. So this week, someone from Yankin wrote in with some positive points. In fact, he's included both good and bad points, but for now I'll just read out the positive points because that's what I asked for.

That they held the 1990 elections is a good point. The open-market economy is also very good. To build bridges, roads, and pagodas is also good (I'll leave it at that for now on that point). To say they will all work together toward democracy is also very good. Another person wrote about what he considers the best thing the SLORC has done for the country: to have released Daw Aung San Suu Kyi, Ba Ba [Uncle] U Tin Oo, and Ba Ba U Kyi Maung and other political prisoners (applause).

I don't want to go back on my word, as some other people do. That's why I'm reading only the good points, like I promised to do last week. We agree with many of the points given here. One is the 1990 elections, which we support and see as a positive act. Why do we say it's good — because the elections were, first of all, free and fair; and secondly, because they gave the people the opportunity to show how much they supported democracy and the NLD (applause).

The second point is that the open market system is good. We have no reason to reject the open market system. The NLD came up with a party constitution written in 1988, and we also announced the NLD's stance in 1990, just before the election. In both instances we mentioned the economic policy we had laid out. We said we wanted an open market economy, that we support it and would put it into practice. We also indicated we would encourage tourism in a way that would benefit the country and that we would invite foreign investment. So the open market system is in line with NLD policy. That's why we agree this is a positive point.

The next point concerns the construction of bridges, roads, and pagodas. We can't deny that building these is good. We never said it wasn't, but we did indicate that the authorities should consider how these construction projects are carried out (applause).

On the point about them saying they would all work together toward establishing a democratic country, of course we support that wholeheartedly. That is what we're doing now; those who are gathered here now are those who want to work toward democracy (applause). The NLD was formed with the goal of building a democratic country. I want to ask the people whether the NLD has ever done anything that is not in line with democracy (audience: "no, no"). We've never done anything that does not support progress toward democracy. We may have made mistakes and we may have weaknesses, but we have always worked toward democracy. The NLD was founded for that purpose and all our organizing work has been done for that purpose.

In 1988 and in 1989 before my house arrest, I went around campaigning. I never urged the people to vote for me and the NLD (applause). This was because the NLD's goal was not to win an election and gain power (applause). Our fundamental goal was to make headway toward achieving democracy. That is why in our campaigning we worked to explain what democracy is. Within the NLD we also insisted that, if we wanted a democratic country, we had to practice democracy among ourselves. We pointed out what democratic methods are, and we looked to see to what extent the people understood democracy. For we believed we could only achieve democracy to the extent the people understood it. This would also determine whether it would or not be a stable democracy. We were aiming at the people's political maturity because the country's progress depended on that (applause). We talked about what we considered was important by way of political psychology. We never asked people to vote for the NLD.

But later, in 1990, NLD decided to enter the elections, for certain reasons, as I've mentioned many times. If we were in favor of democracy, then at one time or another there would have to be elections because in a democracy the government is formed through elected representatives. That's why the NLD decided to participate in the elections. After our decision, we campaigned for votes in exercise of our democratic rights. We did not resort to underhanded or improper methods (applause). Since we had decided to enter the elections and campaign we had to explain why we wanted the people's votes. When we explained this, we never spoke ill of other parties in order to entice people to vote for us (applause). In our campaign, we explained our policies and promised that we would work in line with those policies. Because those policies were constructive ones for the country, we asked the people to vote for us. We were very clear and forthright. The people for their part were also straightforward. That's why they voted for us (applause).

Our work for democracy has not come to an end. We came to believe even toward the end of the election campaign that there would be more struggle ahead, and today we're still struggling. This is our responsibility because it is the promise we made to the people. We promised we would struggle until we achieved democracy. And we cannot break our promise (applause). The promise given by the NLD includes everyone in the NLD (applause). That is why I want to urge all NLD members not to forget that promise. I want you to remember that all of you who joined the NLD have given your promise to struggle until Burma becomes a democratic country. Even though you may have resigned from the NLD, your promise remains intact (applause). A promise given will always endure. Whether you keep it or not is the question, but the promise cannot be withdrawn (applause). That is why we won't withdraw our promise and instead renew our pledge to keep our word (applause).

Going back to the positive points, someone mentioned the release of Ba Ba U Tin Oo, Ba Ba U Kyi Maung, me, and other political prisoners as the best thing the SLORC has done (applause). We agree with that because having political prisoners is not good for the country. That is why we support the release of political prisoners. I say this not because I have been released. It is neither because Ba Ba U Kyi Maung and Ba Ba U Tin Oo have been released either. It is not because we have achieved individual freedom but when a country does not have any political prisoners it brings dignity to the country. That's why I support the release of political prisoners (applause). To speak for our individual release — what pleases us most about our release is that we can

carry on the work that must be done. It is not because we have gained individual freedom but because we can work hard for the NLD. There are many people who want to serve their country. If this is true we want to give them a chance to work for their country. If they really want to work for the country, they should have the right to do so. And for those who lack the ability, they should have a chance to learn and gain experience. That is why we say that everyone should have the right to work for their country. Yes, they should have the right (applause).

Someone once commented that I was prejudiced because I always claimed that I would stand on the side of the people. So I answered, how could I be prejudiced; isn't it true that I should be on the side of the people? Then the question raised was, what if the people are wrong? Then I thought it over and said, If the people are wrong, I will try to correct them with love (applause). There is only the way of love to correct the people of our country. Only through love can we truly correct the people and will there be any true progress in a country I can say without fear that this is the only way (applause). This is a Buddhist country and Buddhism values love and believes in love. That is why I believe that people can be changed through true love (applause). If we cannot change the citizens of this country it only means that we lack sufficient love (applause).

That's why I do not make any claim that the NLD is perfect. And I don't attempt to say so either, for the people know the real score. The NLD is always trying to improve. And in the attempt, because not all people are monks, we don't expect them to succeed 100% when it comes to "love." We have not reached that stage and that is why the NLD's work has not reached a perfect stage. But we will continue to work hard. However, I can say that we will always try to improve ourselves on the basis of love so that the NLD and the people who support us will be able to work harder for the country and to work effectively for the country (applause). That is why I support the release of political prisoners. Any act whatsoever to break the bondage either of an individual or of a number of people is an act based on love. So the suggestion that releasing political prisoners is the best thing the SLORC has done is correct. Whether it is the best or not, some may differ, depending on their perspective. For some, holding the election would be considered the best action. What I have mentioned above are the good works of the SLORC.

When we do anything we need to have a constructive and positive attitude. Because we undertake tasks with the aim of being constructive, we need to be more conscientious. We must all understand that it is much more difficult to build than to destroy (applause). We

must understand this. It takes a long time to build a house, but it does not take time to bring it down. A crane can do the job in a short time. That is why it is much more difficult to construct than destroy. But constructive work brings much more satisfaction compared to any form of destruction. Your conscience is clear, you have deep satisfaction. This brings you courage to face life. That is why, if we are really engaged in constructive work, I can say that our strength for such work will increase day after day (applause). We all know that our political path is not a bed of roses. And since it is not a path of flowers, people who pity me keep giving me flowers as presents. May I express my thanks at this point for the flowers. I have not mentioned that each week, not because I have forgotten, but because I did not want to focus on the gifts. But even though it is not a bed of roses, we can be content if it is a path we choose. But if we have to walk the road laid down by others, we often forget to notice it even if it is good, simply because it was laid down for us. But if it is the path we choose ourselves, we can remember how we worked hard to build the path and appreciate the hardships we had to go through. That is why, please don't be discouraged if you have decided to choose your own path because of the hardships you have to face. I want you to remember how highly privileged you are simply to have had the chance to choose the path that you prefer (applause).

There are many indications that our country has potential for progress. This country can set forth goals towards progress and development. And the most important element is the citizens of this country. We have the strength, courage and hard work of our citizens. That is why I have said many times that the most precious natural resource in our country is the people of the country (applause). We must learn to respect every individual. We must be able to acknowledge and respect everyone as important nationals of this country. For some countries, when one of their citizens faces any difficulty in another country, they can approach their embassy. Sometimes, when their citizens are the cause of the problems they do not like it because it blemishes their country's dignity. Even then, they help their citizens to the best of their ability, with a sense of responsibility towards their own countrymen. That is why we must always keep in mind that every individual in this country is an important countryman and woman. We must not see our people as anonymous or as a faceless crowd (clap).

When we gather here, while Ba Ba U Kyi Maung and Ba Ba U Tin Oo speak, I try my best to remember the faces in the crowd. I don't want to acknowledge you simply as part of a crowd but want to recognize and value you as your very individual selves. I want to acknowledge

that each and every one of you who has gathered here is an individual human being and important in your own right. But I must admit that I can't recognize those on the other side of the road. I am quite familiar with the faces close by and sometimes worry if I don't see the familiar faces. Sometimes I ask around to learn that someone has been away for their daughter's wedding or some other reason. We do this because the NLD values every individual. Even if we don't get the name I want to know the face. If I don't recognize the face I want to have a notion of the person. I want to see each one of you as our co-workers and our supporters. Never doubt that we realize you are supporting our movement. Even if we don't get to know each one of you individually, I want you to know that we feel the power of your love every day (applause).

There is but little time to talk about Nelson Mandela but I want to give you more on the topic. Mandela and his colleagues were accused for the second time of high treason and more found guilty at the trial. Once they were given life sentences they became known internationally. Before these leaders were sentenced the world did not know much about them but there were two reasons why they became well known: the world came to realize that there were numerous black leaders as such who had been detained for their political activities; and those who were not detained continued to carry out the task of those who were in prison with strength and fervor. This brought the world to have compassion and respect for the struggles of the people of South Africa.

The black leaders of South Africa together were sentenced to 27 years in prison. But the aim of those who were detained and of those who were left behind became to grow in strength daily. Those who were left behind practiced through their continuing activities and those detained practiced their strength while being detained. Now there are many ways to exercise one's political strength.

Some believe that engaging in political activities alone is to practice political strength. But to prepare oneself mentally is also a practice, because the mind is the most important. That is why I say that we don't believe in violent conflict but in a contest of minds (applause). Sometimes we have to change the way we think. There are times when there can be no success unless one's mentality can be changed. For instance, let us say that the NLD formed a democratic government tomorrow. Unless we have transformed the way we think in the necessary way, we will not be able to claim that we have had success in anything (applause). One's attitude is what is more important. Power is not the primary factor, but it is one's way of thinking that is important (applause). That is why we repeatedly say that we want

the support of the people that comes out of love rather than authority or power (applause).

In South Africa, the struggle took many years. When one is considered less than human because of the color of one's skin, to change such prejudice and such thinking could not have been an easy task. How could the revolution have been easy when you are taken as sub-human for the color of your skin? How could it have been easy to make them change their attitude and see that blacks were just as human and that they had abilities and skills that sometimes surpassed those of the whites (applause). Blacks in South Africa showed their ability through the strength that enabled them to bear those sufferings. This made the world respect the South Africans. The world became concerned about their sufferings, their struggles, their pain and courage. This is how the whole world began to become aware of South African's struggles. This made the love and compassion of the world increase for the blacks of South Africa. They gained the attention of the world not only because of the efforts of the black leaders but also because of the efforts of the ordinary citizens.

Initially the world simply respected and empathized with the movement and struggles of the South African people. But in 1990 Nelson Mandela was released and, as things progressed, the world began to respect the white government which at one time had said that Black are not human beings. The world respected the White government for its wisdom and strength in working hand in hand with Black South Africans (applause). As for the white government, under apartheid, society was segregated between black and white. Schools, buses, restaurants and living quarters were all segregated. But the irony is that whites hired blacks to do their household work (applause). That's why some black activists commented that it was rather surprising that the whites would make the blacks look after their children, cook their food, prepare their table, clean their table, wash their clothes, and yet keep saying that blacks were different (applause). That's how they contradicted themselves: their actions and their words did not tally. They kept saying blacks and whites are different and they wanted to keep the segregated and yet they accepted all the services of blacks. That is why, when they announced that they would give up this shameful system, a system which lacked credibility, all those who were critical of the apartheid system were utterly surprised and began to feel respect for the white government (applause).

Actually, Mandela and his colleagues at one time believed that the apartheid system could be dismantled only through violence. There were those who agreed and planned to carry out an armed revolution. But when the

white government began to change its attitude, blacks willingly accepted that armed struggle was unnecessary and were open-minded enough to accept working together with whites. They were able to show how open-minded they were. For example, President Mandela went out of his way to invite one of the wardens who took care of him while in prison to his inauguration. The warden was invited because he treated Mandela humanely while in prison and considered him a friend (applause). This man even wrote a book, "My prisoner — My Friend"!

This proves that everyone can become friends when friendship is based on truth and the right attitude. But friendship cannot be founded on devious attitudes (applause). Of course there can be false friendships, but true friendship can only be built on truth. That's why we want to be true friends of the people — we don't want to be false friends (applause). That is why we will relate to the people only with attitudes based on truth. We cannot deceive the people. If we deceive them, they might become our friends but only false ones. After all, what can we expect if we ourselves have been untrue friends (applause). That is why we do not and cannot organize the people by giving them the false promise that we will fulfill all their wishes. These are acts of false friends, and we will not do that (applause).

What we want to say is that we will do our best. We will do our best to make this country into one that reflects the will of the people. We will work hard, we will do our best. But the people must also participate. I say this over and over again (applause).

We don't want to hear comments suggesting the NLD said it would get democracy for us and yet it has not done anything. Don't say that Daw Aung San Suu Kyi said she would work for democracy and yet has done nothing for us. Because we never say we will work to achieve democracy by ourselves. Neither I nor the NLD promised this. What we did say is that we will try our best and that, with the participation of the people, we will surely achieve democracy.

Let me state clearly that I cannot suggest we will achieve democracy without the participation of the people. Sometimes when you come to us, you may not hear what you want to hear. You won't hear us saying that you will get democracy easily. You will not hear from us that it will be an easy task. We will not say it now, nor will we say it after democracy is achieved. We will repeat how difficult the struggle will be even once we have democracy. I don't keep repeating this to discourage you, but once we have democracy we know how difficult it will be (applause). That is why democracy is not a goal in itself — it is a kind of

moving target. Even once democracy is achieved we will have to continue our struggle to preserve it. But if we all work together, the struggle will be worthwhile and we will be able to enjoy the outcome.

As I mentioned earlier, if it is the path we choose ourselves, our efforts at working together will be valuable. There may be some who have to support us from the roadside, but this is also a form of participation. But don't just be an onlooker when you can be a participant (applause). Don't pretend that you cannot help build a road by putting on a false sling, but know thyself. Even if others don't know, you will know in your heart and you will not be happy (applause). You know yourself what you are capable of, so don't try to deceive yourself. People who don't practice self-deception can mend their ways. As human beings we always have weaknesses and mistakes that need to be overcome. They cannot be overcome through self-deception. That is why I want to urge you not to deceive yourselves. We will all work together to achieve democracy.

Let me wish you the best with the pledge that we will never break the promises we have given to you.

Burma: Suu Kyi on Dialogue With Military, New Constitution

*BR1406135996 Rome L'ESPRESSO in Italian
20 Jun 96 pp 88-89*

[Interview with Burmese opposition leader Aung San Suu Kyi by Mila Boyanov in Rangoon, date not given: "Democracy or the Balkans" — first four paragraphs are L'ESPRESSO introduction]

[FBIS Translated Text] The idea was to hold the first-ever conference of deputies for her party, the National League for Democracy, or NLD, at her home on the sixth anniversary of their election, but Aung San Suu Kyi, who won the Nobel peace prize in 1991 and was released after six years' house arrest in July 1995, failed to meet the target. In the end, only 17 members of the group, which would have a wide majority in a parliament that, if regularly convened, would number 485 seats, were present. The Council for the Restoration of Law and Order, SLORC, the military junta that has ruled the roost in Rangoon since July 1989, arranged to have the others arrested. The elections held long ago in 1990 and annulled by the military junta still count for nothing in the generals' eyes.

Nevertheless, another 300 National League militants, backed by another 8,000 people who filled the surrounding streets, met in Suu Kyi's garden all the same at the end of May: a crowd made all the more impressive

by the Burmese political climate of fear. The National League conference thus turned into an open challenge to the junta.

Indeed, the NLD executive is working on a draft for a new constitution to replace the version drawn up by the generals, a hazardous, but calculated move. Conspicuous cracks are now visible inside the junta, which decided to celebrate economic success and the settling of the various ethnic conflicts rife in the country by freeing Suu Kyi a year ago. The soft line adopted by Khin Nyunt, who set up the talks between the guerrillas from the ethnic minorities with a view to a compromise with the League, is beginning to irritate the hawks, the generals who would have preferred to consolidate Burmese unity with a military victory in the field, not at the negotiating table. And a breach could be imminent.

L'ESPRESSO interviewed Aung San Suu Kyi in her home.

[Boyanov] Mrs. Suu Kyi, the conference held by your National League seems to have burned all your bridges with the military council. Has the stage of open conflict been reached?

[Suu Kyi] The NLD has confirmed its political goal, which is that the people's will should prevail and that national reconciliation should be achieved. The will of the people is to create a democratic Burma. We will achieve it by virtue of a new constitution, which must not be the generals' constitution.

[Boyanov] Why?

[Suu Kyi] Because their draft has nothing to do with democracy. Had it gone through, it would have been impossible for me to be elected to office because I am married to a foreigner [the lady's husband is an Englishman — L'ESPRESSO editorial note]. That article in the generals' constitution is tailor-made for me. What is more, the same draft guarantees the junta a share of seats in parliament for ever.

[Boyanov] But how can your party hope to get your draft constitution passed?

[Suu Kyi] I am a Buddhist. I believe in dialogue and nonviolence. So we are not only calling on the public to join forces with us. Our call to work together goes out to the authorities as well. There can be no happiness or well-being without dialogue. For anyone.

[Boyanov] But the very notion of the state comes between your party and the government. The military wants a strongly centralized state to keep the over 100 ethnic minorities at bay.

[Suu Kyi] Yes, as if we had not had the examples of the Soviet Union and Yugoslavia to show what disasters

centralism leads to in a multiethnic country. What we need is a flexible system that gives the minorities the right to self-determination, to their own voice, and to feel that they are part of the nation. Otherwise all we can do is pursue the mirage of dozens and dozens of cease-fires with all the ethnic groups in revolt, like the military are doing.

[Boyanov] The military are boasting about the economic successes achieved over the last few years. Now that you have emerged from your long period of house arrest, have you noticed the successes in question?

[Suu Kyi] I have noticed that a very few people, those close to the power structure, have become extremely rich, while the country as a whole has become even poorer, especially in the countryside. The price of rice, which is the staple diet in Burma, continues to rise incessantly.

[Boyanov] The National League has managed to show, with its conference, that it is not as weak as had been claimed...

[Suu Kyi] They think we are weak because we have never placed our trust in the might of weapons, but the military are the ones who have demonstrated their extreme weakness with their waves of intimidatory arrests against our deputies. We can count on public support.

[Boyanov] What can the international community do?

[Suu Kyi] Various countries, such as the United States, Germany, and Japan, have already put pressure on SLORC to open talks with us. Europe can do a lot by boycotting the tourist trade, which represents a big opportunity for Burmese speculators.

Burma: Article Questions Suu Kyi's Actions

*BK1506123496 Rangoon MYANMAR ALIN
in Burmese 12 Jun 96 p 3*

[Article by Di Haling: "So Wicked"]

[FBIS Translated Text] The Western bloc's great strategy, the globalization of democracy, was laid down during the Cold War. The main target of this democratic operation was the Eastern bloc led by the Soviet Union, while its auxiliary targets were all the so-called socialist and communist countries, including countries like Myanmar [Burma], which were at the bottom of the target list.

After the fall of the Eastern bloc, small countries that had not disintegrated became the main target. Actually, a country like Myanmar cannot cause any trouble for the Western bloc. Why does the Western bloc want to

cause trouble for a country that cannot harm it? The answer is clear: neocolonialism.

Nowadays, the world does not accept expansionism through the attacks against and the occupation of a nation through military means, but there has been evidence of rapid military involvement. For instance, U.S. troops assisted Kuwait and attacked Iraq during the Kuwait-Iraqi war. They know how to justify their acts.

There is a wide range of psychological warfare techniques to bring down a government. You can say these techniques are ways to disintegrate a country. You would not be wrong if you call them techniques to disintegrate the union. The most important thing is to have an insider working for you. It is easier to steal when an insider is involved. The insider will certainly open the door for a thief.

It would be excellent if the insider was someone who could provide leadership. In other words, everything would be fine if international awards were placed on top of this title: the daughter of a national hero. These kinds of people need training.

The obvious evidence is the opening of a training course by Gene Sharp [name as transliterated] in Manerplaw. Broadcasts by the BBC and VOA can be regarded as a long-distance training course. The training is also provided quietly at tea shops and on roadsides. It is not a new technique for training people. This technique was used by Thakin Soe and Thakin Mya and has been in use since the Japanese occupation. It is actually the communist's basic revolutionary style. It is an above-ground tactic.

Gene Sharp's lessons include what to do in the social sector, such as refusing to provide assistance for neighborhood affairs, social affairs, religious festivals, religious sermons, customs and traditional affairs, and organizations. At the training, it was mentioned that the fun fairs and sports festivals in wards and villages must be stopped. That is why the daughter-in-law's [referring to Aung San Suu Kyi] group never said anything good about the fun fairs and sports festivals organized by the SLORC [State Law and Order Restoration Council]. Now they sit and talk from the sidelines in a disagreeable manner, after they realized that people were not joining them until the day when the weekend gatherings were banned.

Moreover, the people have been asked to boycott neighborhood affairs. The daughter-in-law's group used this method until it was gradually sidelined. At the end, they said a student strike had to be staged. It was to encourage students not to go to school. They

also told the people to violate rules concerning social affairs. Myanmar [Burmese] social affairs are based on culture. This method is to destroy that culture. These techniques had already been used during the disturbance in 1988. These techniques, in which children and students disrespect their parents and teachers, also flourished in the BCP [Burma Communist Party]. They are the new Azatathut — the new patricide.

They asked people to quit an amateur organization. What does it mean? They issued a social norm in which people were asked to stay at home. It is the best method. The more they stay home, the better it is. They asked people not to provide physical assistance in social affairs and also asked the workers to leave their jobs in groups. Under socialism, it will affect the government, but it will only affect the employers in a market-oriented economy.

They also told people to take refuge in a secure place. This message is also designed to pave the way for expansionism. During the reign of King Thibaw, Prince Nyuanyan and Prince Nyaung-ok took refuge at the British Embassy. Prince Linpin [name as transliterated] also did the same thing. During the third English-Myanmar war, Myanmar mistook Maung Ba Than [a traitor], who was aboard a ship, for Prince Nyaung-ok and were about to welcome the expansionists.

They also asked people to go into hiding in groups. This method was used during the 1988 disturbance when the Defense Services seized power. There were groups of people who were playing cards in Thaketa, while other people thought that they were taken away by members of the Military Intelligence or went into the jungle. There were cases in which the frightened followers went into the jungle or fled somewhere else because their leaders disappeared.

There were various kinds of rumors when people were hiding in groups. Some said that these people were taken away by soldiers at night and shot dead, while other people said that they were hiding from the authorities to avoid arrest. The youths got confused and went into the jungle because of these rumors.

Moreover, they told the people to stage a demonstration and go into exile. It means HIJRAT [preceding Arabic word as published], migrating from one country to another. This method was used by old-time exiles in 1969, and now it is used by new exile Sein Win [prime minister of the National Coalition Government of the Union of Burma]. Think! Is it good or bad to have another rebel group in the country? Can you say that it is genuine goodwill to introduce another rebel group in a country where rays of peace are shining and new strength and hopes are flourishing?

They have another technique; that is, an economic boycott in which consumers can also participate. For no reason, they urged people not to drink Pepsi and not to use boycotted merchandise. They also have the ways and means to save money; that is, to stay in an apartment or a house without paying rent. The owner will evict a tenant if the rent is not paid. A tenant will be asked to move out if the rent is not paid on a government apartment. Actually, they are asking people to break the law. Their methods, such as telling people not to pay rent and staging local and international boycotts, are commendable.

There are many other things, such as: workers and production personnel must stage a strike; brokers must get involved in the movement; traders must also join the strike; do not sell anything, including one's house and properties; and close down the businesses.

Inciting the people to oppose the government economically will not affect the government. In a market-oriented economic system, it will only affect the public. It is done to deliberately increase the price of commodities. Who would deny the fact that today's rising inflation is, in a way, caused by the daughter-in-law's group. They urged the people not to deposit money at the bank, not to pay back loans, not to contribute money, not to borrow or lend, and not to pay taxes. This is designed to destroy the country, is it not?

In addition to working from the inside, they are also working from outside the country to upset trade, stop dealings between buyers and sellers, prevent the international community from trading with Myanmar, and impose economic sanctions on Myanmar.

When economic sanctions were imposed on Iraq, it was unable to sell its oil, and the people suffered. They do not even have water to drink in the desert. The capitalists who were doing business with Iraq also suffered. Myanmar has an abundance of food and natural resources. Even under socialism, Myanmar survived without outside assistance. Only the public and people who want to do business with Myanmar will suffer.

Gene Sharp asked them to engage in various kinds of boycotts and demonstrations. That is, he asked them to: tell the workers to leave their workplace; tell the farmers not to grow paddy or sell paddy to the government and get involved in a strike; tell the experts, prisoners, craftsmen, intellectuals, employers, and industrialists to join a strike so that the public will sympathize with them and join the strike; urge the people to engage in a declared or a limited strike; cause disturbances at work; slow down in doing jobs; work less; take sick leave; submit a resignation letter; do whatever they like, but

not to do what they are being told to do. Actually, these are practiced by the undisciplined civil servants.

Actually, they are using dirty and wicked methods to affect the economy. They are attacking from both sides by expanding the internal and external economic battle fronts. They are doing this to make the country and the people poor. They said both the boycott and economic blockade must work together.

They also have political tactics; that is, to disobey authority. It is designed to oppose the government, which is supported by the people, in various ways. They want the people to break the law in all possible ways. They said assistance must not be provided to the offices that are toughening their laws—in other words, by not appearing in court as a witness if summoned to appear or by appearing as an aggressive witness from the opposing side.

They tell people not to do anything the government asks. They also ask them to blockade declarations and announcements. This work has been done by the BBC and VOA. The BBC and VOA are quiet about the constructive work done by the SLORC.

A revolution is one of the methods involved in not providing political assistance. Can you say the a revolution is a nonviolent method? Political defiance is not a non-violent method. Their wicked methods are violent and will lead to a bloodbath in the country.

It shows the daughter-in-law's political degrees are very suitable these kinds of work.

It is very wicked.

Burma: Suu Kyi Neighbors Seek End to Weekend Rallies

*BK1506092396 Hong Kong AFP in English
0859 GMT 15 Jun 96*

[FBIS Transcribed Text] Rangoon, June 15 (AFP) — Neighbors of pro-democracy leader Aung San Suu Kyi are fed up with the "unruly" weekend meetings outside her compound and asked, in an open letter published Saturday, that they be stopped.

"We have been unable to get any rest during weekend public holidays because of the noisy and unruly crowd that has been obstructing traffic and disturbing the peace of mind of residents nearby," the neighbors' letter said.

"To help end the trouble we have to endure every weekend, we implore through you to the authorities to ban this illegal and unruly public gathering," said the letter carried in the people's forum section of the state-run MIRROR daily.

Analysts said the letter — the first of its type — was apparently intended to use public sentiment to justify anticipated official action against Aung San Suu Kyi's National League for Democracy (NLD).

Last week, Burma passed harsh new laws which, among other things, effectively ban public meetings such as the NLD holds each weekend and provide for heavy penalties.

Signed by "residents of Golden Valley," the neighborhood surrounding Aung San Suu Kyi's residential compound, the letter complained of broken fences that had to be hurriedly mended to ward off thieves and of the stench of urine.

The residents alleged they were subjected to abuse whenever they attempted to enter or leave their private compounds while the weekend meetings were under way.

A stepped-up campaign against the NLD includes television interviews of NLD candidates who won seats in the 1990 general elections and who declared they had decided to give up politics for personal or health reasons.

The spate of resignations, announced by the elections commission which supervised the 1990 balloting, followed a military clampdown in which more than 260 NLD candidates were temporarily detained in May to prevent a planned party congress.

About one dozen candidates are believed to have resigned so far, and the number is generally expected to rise.

An NLD source said that some 100 supporters considered to be party hard-liners might find themselves targeted for "weeding out" in the weeks ahead.

The swoop on NLD supporters came as the party prepared for a meeting to mark the sixth anniversary of the abortive elections which the NLD won handily but which the ruling junta refused to honor.

Burma: Activist Said Confident Democracy To Prevail

BK1606114396 Bangkok THE SUNDAY POST in English 16 Jun 96 p 18

[Interview with Tin Maung Win, vice president of the Democratic Alliance of Burma and member of the Presidium, National Council of the Union of Burma, by assistant editor Ralph Bachoe; place and date not given]

[FBIS Transcribed Text] [Bachoe] In the past several weeks we have seen a resurgence of the National League

for Democracy [NLD] in Rangoon. What does this mean?

[Tin Maung Win] First let me say that calling it a "resurgence of the NLD" is not quite accurate. The NLD has merely adopted a more aggressive policy in pursuit of democratic reform in Burma. We must remember that the NLD has been very patient in waiting for the generals in Rangoon to respond to Daw Aung San Suu Kyi's call for serious discussions regarding the future of Burma. Over the past several years, it has become clear to everyone that SLORC [State Law and Order Restoration Council] has no intention of honouring its commitment to transfer power to the elected civilian government.

I think that SLORC, by adopting an economic policy which richly rewards foreign business investors and its cronies, believes it is no longer dependent upon the citizens of Burma to remain in power. We have seen that as more investment pours into the country, the regime has become more repressive. Aung San Suu Kyi and the NLD have seen this correlation between hard currency income and oppression and have concluded that by continuing to wait for SLORC to honour its obligations to the people is no longer a valid assumption on which to base their planning. It is no longer necessary to receive SLORC's blessings to restore democracy to Burma.

[Bachoe] Are you saying that democracy can be achieved even without SLORC's approval? It has been conventional wisdom in this struggle that a democratic government can only come about with the consent of the army generals

[Tin Maung Win] Yes, and it was conventional wisdom at one time that the earth was flat. Now we know that the earth is round and we also know that rulers cannot rule if the people do not support them.

[Bachoe] At this point, it seems that only Daw Rung San Suu Kyi is not obeying SLORC. Is that going to be enough to defeat the generals

[Tin Maung Win] You bring up one of the problems in our struggle because Daw Suu is such a popular person in the eyes of the Burmese people as well as the international community for displaying such bravery in the face of possible retaliation from the ruling junta, and also for her intelligence and leadership qualities. The press has often overlooked the fact that there are millions of people in this fight for freedom.

[Bachoe] You mentioned that Daw Aung San Suu Kyi is only doing what the people expect of her. And what is that?

[Tin Maung Win] As their elected leader, the people expect her to design and implement a strategy to bring true democracy to Burma. And she is carrying out those responsibilities with the help of both the people inside Burma and the international community. We accepted her decision to wage a nonviolent struggle and to focus our efforts on attacking the "system" rather than attacking those who serve that system.

Daw Suu has repeatedly stated that she harbours no ill will against the soldiers of the Burma Army. She understands that many of them are victims of SLORC as much as the civilian population. This was borne out by the election results in 1990 where the votes in the military cantonment area were overwhelmingly in favour of the NLD party.

[Bachoe] Do you think there are officers in the Burma Army who would favour a restoration of democracy?

[Tin Maung Win] I am certain of it. There are many professional soldiers who know that the real threat to the sovereignty of Burma is not democracy but the absence of democracy. If SLORC should get involved in a conflict with its neighbours today, it would be defeated simply because it would not have the support of people.

[Bachoe] SLORC is writing a new constitution for Burma which would set aside a certain number of positions for the Army within the legislative and executive branches of government. Why wouldn't this be acceptable as a compromise to the democracy advocates?

[Tin Maung Win] It is unacceptable for several reasons. First, SLORC had no authority to call for a convention to write a new constitution. You must remember SLORC seized power by a military coup d'etat. Therefore, it has no legitimacy from day one. Secondly, there was a national election in May 1990 in which the people, by an overwhelming majority elected a civilian government. If there was to be a constitutional convention, only the NLD government has the authority to call for one. In a democracy, the Army cannot dictate what it will or will not do. It serves the people through their elected representatives. To do otherwise, is an act of mutiny — plain and simple.

[Bachoe] Are you saying that General Khin Nyunt and other members of SLORC are guilty of mutiny?

[Tin Maung Win] It is not my place to declare guilt or innocence. The elected government will decide whether to press charges and it would be the decision of the courts, after a fair trial. But let me say this. Our people have suffered enough. We want to end this tyranny and move forward in peace and harmony under a democratic form of government. We have lost too much time and opportunities already. The sooner we can get this

nightmare behind us the better it will be for all of us. Therefore, I think there are many who would favour a form of blanket amnesty, except for the most heinous crimes perpetrated against the ethnic population in the border area.

[Bachoe] It was reported that the recent NLD Conference decided to write a new constitution. What is the reaction of the ethnic nationalities and other pro-democracy groups along the border who have also prepared constitutions?

[Tin Maung Win] Burma today has no constitution. It is being ruled by military — fait accompli. Daw Suu is correct in having the NLD prepare a draft for a new constitution.

The pro-democracy groups along the border have already delivered their draft constitution proposal to the NLD party. Certainly this draft will be carefully considered as the NLD drafting committee undertakes its responsibilities. Daw Suu is aware of the concerns of the ethnic nationalities regarding the need for federalism and protection against "Burmanisation" policies of the past. She has stated that without the participation and support of the ethnic groups there can never be peace in Burma. And she has welcomed the support and the cooperation of the border groups. There is no fear that Daw Suu will ignore their concerns.

I think some people may misunderstand the constitutional process. If there is no draft document to serve as a point of departure I doubt if there would ever be a completed constitution. It is too important, and every word and every sentence must be carefully chosen. So the more care that is taken in preparing the draft document, the more smoothly the editing process will be later.

[Bachoe] If you were asked to give some advice to the NLD Constitution Drafting Committee, what would you tell them?

[Tin Maung Win] First, I would tell them that never in their entire lives have they been assigned such grave responsibility. They must write a document which insures freedom and justice for all the people of Burma. They must also remember our past and recall how we lost our democracy to the military dictatorship. The rights of our people, especially the ethnic minorities problem, should be spelled out clearly and the restrictions placed on the power of the government must also be enumerated. From experience, we know not to trust any government with sufficient power to enslave a nation. Quite frankly, I think the Constitution of the United States would be a good reference to study before writing one for Burma.

We must also remember that any constitution must be accepted by the people before it can go into effect. I am certain that the NLD draft will be provided to the NCUB [National Council of the Union of Burma] for comments and recommendations.

[Bachoe] SLORC has alleged that Aung San Suu Kyi is under the influence of foreigners. What is your reaction to this charge?

[Tin Maung Win] Daw Suu is under the influence of the NLD party and the people of Burma. It is her idea to begin the second struggle for the liberation of Burma. She joined hands with the people after it was well underway. Today, she continues to respond to the will of the people. We are very fortunate that she has decided to follow in the foot steps of her father in fighting for a free and independent Burma. Yes, there is a influence of ideas which are foreign to the military dictatorship — freedom from bondage, freedom of expression, a government of the people, by the people and for the people.

On the other hand, it is SLORC which is under the influence of foreigners: Without foreign investors, SLORC will collapse. So SLORC is in a status of indentured servitude to businessmen in Singapore, Thailand, Malaysia, Japan and the United States. Of course, SLORC is also a client state of China.

[Bachoe] What do you think about Lee Kwan Yew's recent comments that Daw Aung San Suu Kyi may not be able to rule the country and would be better off remaining a political symbol?

[Tin Maung Win] I am sorry to hear that a person like Mr. Lee Kwan Yew would make such a remark. What I would like to suggest is that Mr. Lee stay out of the internal affairs of Burma which is also the professed policy of the ASEAN countries.

[Tin Maung Win continues] We all know that Singapore has a high business stake in exploiting Burma. If Singapore is interested in continuing to do business with my country, I would like to suggest that the investors from the tiny island state bide their time until Burma regains democracy under the guidance of Daw Suu and her party.

I admire Mr. Lee for his ability to successfully impose his authoritarian rule of the tiny island state of 3 million people, which is the size of metropolitan Rangoon.

His comment that Daw Suu lacks the ability to run the country smacks of dictatorial jargon. Burma hosts more intellectuals than Singapore even before that country came into being. So what is Mr. Lee talking about? I perceive his remark strictly as one authoritarian regime

propping up another equally dictatorial one. So I would advise Mr. Lee to keep his nose out of Burmese affairs.

[Bachoe] It has been alleged that there is a rift in the Burma Army. Is there any truth to this rumour?

Yes this is true. As I have mentioned before during one of your previous interviews with me, there is no such thing as hard liner or a moderate within SLORC. Everyone in the regime is against democracy.

But on certain issues, like the present where more than 250 members of the NLD were detained to preempt the sixth anniversary meeting of the Party at Daw Suu's residence, the Army is definitely divided as how to react to the situation. In this case hard liners and moderates do exist in the military.

On the recent confrontation between Daw Suu and SLORC there's definitely a split in the school of thought within the Tatmadaw. Those hardliners belong to the camp of Gen. Maung Aye, second-in-command of SLORC after Senior Gen. Than Shwe, and such members of the ruling elite like Lt. Gen. Tun Kyi, Lt. Gen. Kyaw Ba and some divisional commanders. This group is determined to get rid of Daw Suu once and for all.

But according to MI (Military Intelligence) reports it was alleged that some unforeseen elements within the armed forces are against this idea (getting rid of Suu Kyi) who instead advocate that a democratic rule be restored to the country or else face the consequences, like a possible backlash from the populace.

Military intelligence chief and strongman Lt. Gen. Khin Nyunt is said to be against the idea of annihilating Suu Kyi and her party because of possible international condemnation and retaliation in the form like trade sanctions, especially from the US. But most importantly he fears a possible repeat of the 1988 bloodbath when more than 3,000 people were gunned down by the military in the popular democracy uprising. He was supposed to have said that the gap between the have and have-nots have widened to such an extent that the 1988 scenario now seems inevitable.

[Bachoe] I believe SLORC is going to outlaw the NLD in the near future. Is there any truth to this?

[Tin Maung Win] How can an "outlaw regime" outlaw the political party which received the mandate of the people to govern Burma merely saying that the NLD has been outlawed does not mean anything. Closing one's eyes to reality does not make reality go away. SLORC is looking for a reason to justify another crackdown. Making everything illegal will give them the excuse to act, but the action, whatever it may be, will be illegal.

immoral and will only serve to mobilise the people to protect Daw Suu and her party.

The recent escalation of political struggle in Burma by Daw Suu is a reflection of her responsibilities as party leader of the NLD and as the recognised leader of Burma.

[Bachoe] Several members of the NLD have quit the party. Why do you think they are leaving Daw Aung San Suu Kyi and the party after six years of oppression? Do you think more will desert the party?

[Tin Maung Win] The NLD is experiencing some desertions. And yes there will be more.

[Bachoe] What would you do if a regime like SLORC threatened you and your family unless you resign? The intimidation is tremendous.

[Tin Maung Win] This is one of SLORC's many strategies to isolate the party members. Nothing has changed since U Ne Win overthrew the elected government of late Premier U Nu in 1962. The pattern is still the same.

[Bachoe] With respect to the struggle for democracy in Burma, how do you foresee the overall situation?

[Tin Maung Win] I see more difficult days ahead as SLORC, in a futile attempt to destroy the pro-democracy movement, commit more blunders and become irrational. I see the people throughout Burma, acting as one, becoming more defiant against the regime and more assertive in their quest for democracy. I think I see the international community finally recognizing the failure of constructive engagement as a means to curtail SLORC oppression.

I see the collapse of dictatorship. I also see a free people under a democratic government successfully confronting the myriad of problems left over from the legacy of an incompetent, corrupt, and brutal regime who misruled our nation for almost 40 years.

[Bachoe] When?

[Tin Maung Win] Soon. Very soon.

Burma: Junta Plans Talks With KNU; Launches Attack on Karennis

BK1406143196 Hong Kong AFP in English
1349 GMT 14 Jun 96

[FBIS Transcribed Text] Bangkok, June 14 (AFP) — The Burmese junta will open a new round of talks with ethnic Karen rebels, a source said Friday, as members of a neighboring ethnic group reported government troops were forcing thousands from their homes.

An eleven-member KNU [Karen National Union] delegation is scheduled to meet with Burmese authorities

in the southern town of Moulmein on June 17, an official from the National Council of the Union of Burma (NCUB), a dissident group, told AFP.

The delegation from the rebel group, which has been battling successive governments in Rangoon for almost five decades, will be led by KNU vice chairman General Tarmalar Baw and secretary Pado Manshar.

KNU officials were unavailable to confirm the report.

The first talks between the Burmese junta and the KNU were held in Moulmein on February 15 and 16, at which time both sides agreed in principle to a ceasefire and further talks.

However, Karen officials told allies at a NCUB congress in May that the junta's conditions amounted to a virtual surrender and that it had little hope of reaching a compromise.

The rebel group was forced to the table by a series of government victories early last year.

Rangoon, which has reached ceasefire agreements with most of the country's ethnic-based insurgencies, has said that the KNU is the last of the groups to lay down its arms after 47 years of fighting.

However, hundreds of members of another ethnic group, the Karenni, have fled into Thailand in the last 10 days to escape a scorched-earth campaign by the Burmese junta, which has forced more than 10,000 from their homes in 96 villages, a Karenni source said Friday.

A ceasefire with the Karennis collapsed a year ago after Burmese troops crossed into areas under control of the group — just to the north of the Karen state in eastern Burma — ostensibly to stop the illegal logging and exports.

Government troops have been burning and looting villages to force all residents of a 100-kilometer (60-mile) long, 20-kilometer (20-mile) wide area between the Salween and Pon Rivers in Burma's eastern Kayah State to relocate, the Karenni National Progressive Party (KNPP) source told AFP.

Most of the villages were ordered to report to Shadaw, a small enclave in the north of the area, by June 7, he said by telephone from the Thai province of Mae Hong Son, opposite Kayah state.

"If anyone is found in the old places, he or she will be categorized as rebel and will be shot," a KNPP statement cited orders to the villagers from the ruling State Law and Order Restoration Council (SLORC) as saying.

Since the beginning of May, the SLORC has been forcing the Karenni to make journeys which required

that they leave behind supplies and domestic animals, but villagers who fled to Thailand said soldiers gave them no assistance in Shadaw.

"There was no place for them to live. There was no food, no place to sleep and no land for thousands of people," the KNPP source said.

More than 600 of the villagers have fled Shadaw and the relocation campaign to a string of refugee camps along the Thai border in the past 10 days, the official said, bringing the Karenni population of the camps to over 6,000.

Nearly 100,000 mostly Karen ethnic refugees from Burma live in the camps, and several hundred thousand illegal immigrants from the country work in Thailand's farms and factories.

The area subject to the relocation campaign is about 20 kilometers across rugged terrain from Thailand.

Rangoon's offensives against the Karenni, which began almost a year ago, a few months after the SLORC signed a ceasefire agreement with the ethnic group, were made possible by the collapse of the much larger Karen movement to the south.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Opposition Party 'Unanimously' Agrees To Join UMNO

BK1506124996 Kuala Lumpur THE STAR in English
14 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Parti Melayu Semangat 46 [Malay Party of Spirit 46] supreme council has unanimously agreed that its members should join UMNO [United Malays National Organization] in order to reunite the Malays, party president Tengku Razaleigh Hamzah said.

"Although the supreme council has the mandate, we will not do anything until we have obtained the approval of the party general assembly in November," he told a news conference after the council's monthly meeting here yesterday.

He said Semangat national leaders would continue to visit the grassroots to explain to members the leadership's stand and the outcome of discussions he had with prime minister and UMNO president Datuk Seri Dr Mahathir Mohamad.

"The feedback from the grassroots will be presented to the general assembly," he said.

"If all the meetings go smoothly, we can then call an EGM (extraordinary general meeting) to decide the dissolution of the party to enable us to join UMNO en bloc without any loss of privileges currently enjoyed by UMNO members."

Razaleigh spurned an invitation to attend the PAS [Pan Malaysia Islamic Party] 42nd muktamar (general assembly) which starts today.

He said Semangat had rejected the invitation because PAS murshidul aam (spiritual leader) Datuk Nik Abdul Aziz Nik Mat had said that he no longer recognised Semangat at the national level.

He said another sore point were the attempts by PAS to woo Semangat members to join the party.

"Such acts make PAS' sincerity in wanting to continue to co-operate with us questionable," Razaleigh said. He said the decision to reject the invitation was made by the supreme council.

Razaleigh also said he was planning to take legal action against Kelantan Deputy Mentri Besar [chief minister] Abdul Halim Abdul Rahman for a statement in a Bahasa Malaysia daily alleging that Razaleigh was rejoining UMNO for financial reasons.

He said Abdul Halim, who is also PAS information chief, made the statement during an ulamak [Islamic scholar] meeting in Terengganu a few days ago.

Malaysia: Islamic Party Ends Ties With Former Ally in Most States

BK1606122496 Kuala Lumpur SUNDAY STAR
in English 16 Jun 96

[Report by Shamsul Akmar and Zailani Ahmad — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — PAS [Pan Malaysian Islamic Party] president Fadzil Noor said yesterday his party no longer has any ties with Parti Melayu Semangat 46 [Malay Party of the Spirit of 46] except in Kelantan and at national level.

And the fate of the relationship in Kelantan and national level will be decided by PAS today.

This is the first time since relations between the two parties soured that PAS has publicly said that ties with Semangat no longer exist in most states.

Previously, PAS had always maintained that the ties existed but it had yet to decide where they were heading.

Fadzil said there could not be any relations between the two parties in states other than Kelantan, as Semangat "did not exist".

"Even if Semangat has members in these states, it is only a handful of them left," Fadzil told reporters at the end of the second day of PAS 42nd muktamar (general assembly).

Fadzil said a Pahang delegate had when debating on the preidential address pointed out a good example of what Semangat's strength was.

He said that in Pahang during the election, there was a three-cornered fight involving PAS, Barisan Nasional (National Front) and Semangat for a seat.

"He said the Semangat candidate lost his deposit, proving how small the party's following was," Fadzil said.

Except for Kelantan, he said that Semangat's strength in other states was almost non-existent as it was in Pahang.

On claims by Semangat that several PAS assemblymen in Kelantan would join Semangat if the ties were severed, Fadzil said that was the hope of Semangat leaders.

"It will not happen as our members and leaders are committed," he added.

PAS has 24 of the 43 seats in the Kelantan legislative assembly while Semangat has 12 and Barisan controls seven.

Cambodia

Cambodia: Ranariddh Comments on Sihanouk's Return

BK1606114196 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 16 Jun 96

[FBIS Summary] At the inauguration of a monastery building on 13 June in Prey Kabbas District, Takeo Province, Cambodian First Prime Minister Norodom Ranariddh said: "His Majesty King Norodom Sihanouk has been cured of all diseases and is due to return home to be with his children again." Ranariddh also said that "the king's upcoming return will bring comfort to the people throughout the country because Cambodians have full confidence in the king's leadership, who is the person reconciling and uniting the nation."

Cambodia: First Prime Minister Claims Pol Pot Still Alive

BK1406153396 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 14 Jun 96

[Speech by First Prime Minister Hun Sen at a ceremony to open school buildings in Kong Pisei District, Kompong Speu Province on 14 June — recorded]

[FBIS Translated Excerpt] [passage indistinct] That is why I keep appealing for political stability. Political stability is very necessary. Without political stability we cannot develop anything. We will not have the opportunity to farm our land and various countries will not be able to invest here. Before investing, they must first look at political stability [passage indistinct]. Therefore, investors need political stability. That is why I keep appealing for reconciliation to achieve development, safeguard the Constitution, and maintain political stability for development. The latest developments are worthy of pride. We have solved whatever... [pauses] some points of concern to the Cambodian people and the international community. Yesterday I attended an armed forces seminar that was also attended by commanders at all levels of the Khmer Royal Armed Forces and National Police. I had the opportunity to speak to all of them about the duty of the armed forces (?to maintain) stability and security [words indistinct]. The armed forces are closely united. The political parties are also united; are uniting continuously. This is because there is no alternative for us but to unite [words indistinct].

On this occasion, I would like to applaud whatever we have decided upon together. In the past three years of unity, we have done a lot of work. I have spent almost all (?my time) thinking about development, national development. Although there have been some problems, these were just minor problems [passage indistinct]. Although some Khmer Rouge problems still remain, they do not constitute a civil war. It is just destructive acts committed by the Khmer Rouge against the Cambodian people, against the legal Royal Government. The Khmer Rouge problem is nothing new to us. The Khmer Rouge issue is an old issue from the 1950's, 1960's, 1970's, and 1980's up until now. The Khmer Rouge issue is another issue.

Now we can assure you that Pol Pot is not dead. He is not dead. Those who say that Pol Pot did not die seem to be mistaken. [sentence as heard] I know where Pol Pot is even now. Pol Pot is very healthy. His wife is young. His old wife is older than Pol Pot and is suffering from paralysis. He has a new wife from Kamchay Mea District. [Words indistinct] he still does not want to die. As a matter of fact, Pol Pot and Ieng Sary have planned

to announce their death since 1992, but they could not do it. Now they have declared that they died in 1996. That is impossible. Pol Pot is not dead. Nuon Chea was the one suffering from malaria. Therefore, I know where he is. I know that he is still alive; he has not died yet.

Even if Pol Pot had died, the country would not be truly rid of him. When we talk about Pol Pot, we talk about Pol Pot's military and political organization that have caused destruction against the Royal Government and the Cambodian people. We also talk about Pol Pot's henchmen who are launching activities in Phnom Penh. When the Pol Potists in Phnom Penh announced that they would hold demonstrations against the Royal Government in Paris, Washington, and other cities on 15 June, Pol Pot [passage indistinct].

Do not worry. Hun Sen is here and he has a very hard head [words indistinct] Pol Pot. Chea Sim and Heng Samrin are also around. With these three guys alive, brother, do not dream. Brother, I have fought against you for many years and not just once. At that time, many foreigners supported you. Brother, I fought you alone and I beat you [words indistinct]. The Khmer Rouge (?are still there). The Khmer Rouge in Phnom Penh declared that they would hold demonstrations against the Royal Government. As they cannot hold them in Phnom Penh, they will hold them abroad. The Khmer Rouge on the border [words indistinct]. The Khmer Rouge tried to kill us once, but we did not die. We are still alive [words indistinct]. They are attempting to kill us again, but we will not allow them. [passage indistinct]. We exhort all the politicians to be careful about some activities [words indistinct] cooperate with Pol Pot's armed forces. We will not prevent you from opening party branches. You can open as many as you want, but do not cooperate with Pol Pot's forces. [passage omitted]

Indonesia

Indonesia: Military Arrests 14 Youths for Riots in E. Timor

BK1706071696 Jakarta ANGKATAN BERSENJATA
in Indonesian 17 Jun 96 p 8

[ANTARA report]

[FBIS Translated Text] As many as 14 youths believed to have been involved in riots in Baucau District, East Timor are under the custody of the security apparatus for further investigations.

"The security apparatus has arrested 14 youths believed to have been involved in riots in Baucau District to determine the cause of their crimes," Infantry Colonel Mahidin Simbolon, commandant of the 164/

Wiradharma Military Area Command, told reporters in Dili on Tuesday [11 June].

The commandant said the riots and crimes took place in Baucau on Sunday (10 June) [day and date as published] at about 1000 Central Indonesian Standard Time.

Mahidin gave a chronology of the events.

Some 60 youths forcibly "evicted" street vendors from sidelines of an old market in the district. Tragically, the evicted street vendors are native East Timorese.

"This was a surprise. Why did the youths evict the street vendors who are native East Timorese?" he said.

Not satisfied with their arbitrary act against the vendors, the youths then conducted illegal "checks" on people passing through Baucau District.

Security Personnel Stabbed [subhead]

Still dissatisfied, the youths then intercepted a "Liberty" public bus plying between Viqueque and Baucau districts and asked all the passengers to alight. Five plainclothed personnel of the Armed Forces of the Republic of Indonesia [ABRI] were among the passengers.

"Knowing that there were five ABRI personnel among the passengers, the youths became aggressive and stabbed one of them, Staff Sergeant Widastra, who was injured in his abdomen," he said.

Staff Sergeant Widastra's colleagues later sought help from the local police, who warded off the youths with tear gas.

The youths retaliated by throwing heavy and sharp objects at security personnel, seriously injuring some of them.

Police Second Lieutenant Suhendri, a platoon commandant of the Police Mobile Brigade, and Police Master Corporal Abdullah were seriously injured after being hit.

Acts of Anarchy [subhead]

The commandant said he immediately ordered the rioters detained.

He said he met Father Rui and Father Joao from a parish in Baucau District, who described what the youths had done as acts of anarchy.

"Public security and order have been restored in Baucau following the detention of youths believed to have been involved in the riots and crimes," Mahidin said.

Indonesia: Opposition Parties View Their Current Situation

BK1706063396 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 17 Jun 96

[FBIS Translated Text] There is no need to review the cadre formation system within the United Development Party (PPP) despite the departure of a handful of cadres from the sociopolitical organization. Ismail Hasan Metareum, general chairman of the PPP Central Executive Council, said this to reporters on the sidelines of a rally by a PPP task force in Semarang, Central Java. He said there was no need to review the cadre formation system as only several cadres had in fact left the PPP and denied mass media reports that hundreds had left the party.

In Jakarta, Megawati Sukarnoputri, general chairwoman of the Indonesian Democratic Party (PDI) Central Executive Council, asked all PDI members to maintain unity. Unity to which the PDI is politically committed must be maintained.

According to Megawati, the PDI believes that the government and the Armed Forces of the Republic of Indonesia will remain wise enough to consider what is legal and constitutional.

Indonesia: Suryadi Asked To Resume PDI Leadership by 107 Branches

BK1706075896 Jakarta MEDIA INDONESIA in Indonesian 17 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — At least 107 branches of six provincial executive councils of the Indonesian Democratic Party (PDI) have asked Suryadi to run as a candidate for the general chairperson of the PDI Central Executive Council. This is to replace Megawati Taufik Kiemas in the fourth PDI congress at the Pangkalan Mansyur Haji Dormitory in Medan from 20 to 23 June 1996. Suryadi expressed his readiness to accept the nomination in tears.

The request and support came because Suryadi [who was general chairperson of the PDI Central Executive Council from 1983 to 1993] managed to double the number of votes garnered by the PDI in the last two general elections. On the other hand, they feel that the Megawati leadership has deviated from the mandate in general and the party's four-point policy in particular, endorsed by the 1993 PDI national consultative meeting. In addition, Megawati has been unaccommodating and has failed to solve the party's internal conflict.

By Sunday evening, 35 branches from Central Java, 29 from East Java, 15 from West Java, 10 from North Su-

matera, 13 from East Timor, and five from Yogyakarta confirmed that they would nominate Suryadi as a candidate for general chairperson of the PDI Central Executive Council at the fourth PDI congress. Five branches from Jakarta reportedly also support Suryadi. [passage omitted]

Laos

Laos: Cooperation Meeting With Burma Held; Ministers Comment

BK1506074096 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 14 Jun 96

[FBIS Translated Excerpt] Respected Listeners: As reported earlier, a delegation from Burma's Ministry of Foreign Affairs led by His Excellency [H.E.] U Ohn Gyaw, minister of foreign affairs of Burma, arrived on an official visit to the Lao People's Democratic Republic [LPDR] yesterday evening.

The second joint meeting of the Laos-Burma and Burma-Laos Cooperation Committees was held at the Lan Xang Hotel in Vientiane this morning. The Lao delegation was led by H.E. Somsavat Lengsavat, minister of foreign affairs of the LPDR, while the Burmese side was headed by H.E. U Ohn Gyaw, minister of foreign affairs of the Union of Burma. During the meeting, both sides reviewed and evaluated achievements in the implementation of the conclusions stated in the minutes of the inaugural joint meeting of the cooperation committees between the two countries in Yangon [Rangoon] on 8 May 1995.

H.E. Somsavat Lengsavat expressed his sincere thanks to H.E. U Ohn Gyaw for leading the delegation of the Government of the Union of Burma to attend this meeting. He highly valued the results of the implementation of the previous agreements as they have contributed significantly to the enhancement and strengthening of the relations of friendship and cooperation in various fields between Laos and Burma.

H.E. Somsavat Lengsavat also hailed the success of the State Law and Order Restoration Council in implementing its policies, such as the policies to create solidarity and actively develop and expand the country's economy. Burma's international relations have also gradually been broadened.

After the meeting, H.E. Somsavat Lengsavat and H.E. U Ohn Gyaw jointly announced the results of the meeting of the Laos-Burma and Burma-Laos committees. H.E. U Ohn Gyaw highly valued the relations of friendship and cooperation between Laos and Burma in various fields as well as their cooperation in the international arena during the past year. He also praised the success

of the LPDR in implementing the policy of renovation and broadening cooperation with other countries.

The meeting agreed that the third joint meeting will be held in Burma in 1997. H.E. U Ohn Gyaw invited Lao Foreign Minister H.E. Somsavat Lengsavat to attend the third meeting in Burma next year. He thanked the Lao Government for hosting the second meeting of the Laos-Burma and Burma-Laos Joint Cooperation Committees. [passage omitted including indistinct portion]

H.E. Somsavat Lengsavat and H.E. U Ohn Gyaw then jointly signed the memorandum of agreement aimed at further enhancing and strengthening bilateral relations and cooperation in various fields so they can flourish ever more.

Laos: President Receives Burmese Foreign Minister

BK1506111096 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 14 Jun 96

[FBIS Translated Text] His Excellency [H.E.] Somsavat Lengsavat, minister of foreign affairs, accompanied H.E. U Ohn Gyaw, Burmese minister of foreign affairs, this afternoon on a courtesy call to H.E. Nuhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], at the Presidential Palace.

On this occasion, H.E. U Ohn Gyaw extended regards to the Lao president from H.E. General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Burma. H.E. U Ohn Gyaw also informed the Lao president of current developments in Burma and the success of the second meeting of the joint Laos-Burma and Burma-Laos cooperation committee.

H.E. President Nuhak Phoumsavan appreciated the visit to Laos by the delegation of the Burmese Ministry of Foreign Affairs and also congratulated the success of the second meeting of the joint Laos-Burma and Burma-Laos cooperation committee, which will significantly contribute to the further strengthening of friendship and the promotion of cooperation between the two countries. In addition, H.E. President Nuhak Phoumsavan congratulated Burma's various achievements. They include the implementation of a policy to create harmony within the country, the strong determination for socioeconomic development, and the gradual expansion of relations with other countries.

The Lao president also remarked to the guests that each country is unique, and the people of each country have the right to choose their own way of living. Therefore, it is necessary to respect principles of international relations, such as the principle to respect the independence

and sovereignty of other countries and not to interfere in their internal affairs.

In the end, the Lao president conveyed his regards, solidarity, and affection, as well as those of the Lao Government and people to H.E. Chairman Than Shwe, the Burmese Government, and the fraternal Burmese people.

Philippines

Philippines: Ramos Inaugurates Clark International Airport

BK1706081596 Manila PNA in English 1328 GMT 15 Jun 96

[Report by Ruben B. Cal — received via Internet]

[FBIS Transcribed Text] Clark Field, June 15 (PNA) — Clark Field is again bustling with business activities with the inauguration by President Ramos of the multi-million pesos Clark International Airport today.

Local and international visitors flocked to this former U.S. air base to attend the elaborate ceremonies, including the blessing and inauguration of the P [pesos] 70 million building, signalling the start of Clark's International flights.

A Philippine Airlines (PAL) jumbo jet and a Grand Air jetliner landed at Clark's international airport.

Highlighting the inaugural ceremonies were the acrobatic aerial maneuvers by Philippine Air Force S-211 trainer jets and the famed Blue Diamond using old but reliable F-S jet fighters.

Two U.S. Air Force (USAF) F-16 fighters flew in from Okinawa to participate in the air show.

President Ramos was amazed by the turn of events here where on June 12, 1991 he had to rush to Pampanga, following the eruption of Mt. Pinatubo that forced the evacuation of thousands of American servicemen and their families out of Clark.

"As I view the amazing things happening here, I can say with confidence that great things are in store for the Clark Economic Zone (CEZ)," the president said.

"Consequently," he said "this means great things are also in store for the people of this region, indeed of the whole Philippines, because Clark will significantly speed up the economic growth and development that will help the Philippines attain the status of a newly industrializing country (NIC) by the year 2000."

Under the government plan, the Central Luzon Development Program prepared by the Department of Trade and

Industry (DTI) and the Japan International Cooperation Agency (JICA), conceived the following to transform Clark into an economic hub in Asia:

- International transshipment hub serving Southeast Asian countries with free seaport and airport;
- World leader in activities based on community development;
- Center for environmental education;
- Industrial heartland of the Philippines with a diversified industrial structure;
- World center for fashion and interior design-related industries; and,
- Communication center between the Filipino people and other peoples of different backgrounds through conferences, tourism, and related service activities.

President Ramos said that there are now 132 locator companies, foreign and local, pouring in some P16.3 billion worth of investments. Included are 55 industrial projects now being undertaken, 48 commercial projects, 12 service-oriented, eight aviation-related, four housing, three tourism, and three utilities.

These projects have generated 20,000 more jobs but there will be 80,000 more job opportunities by June 1998.

The new Clark International Airport operates on a 24-hour round-the-clock with the opening of its terminal and runways to international aviation, connecting Central Luzon to the Asia-Pacific region and the world.

Philippines: Ramos Signs Various Important Bills Into Law

BK1706081196 (Internet) *The Journal Group WWW in English* 12 Jun 96

[This web page publishes material from four daily newspapers and a weekly magazine put out by the "The Philippine Journalists, Incorporated (PJI), also known as The Journal Group." The dailies are THE PEOPLE'S JOURNAL, THE PHILIPPINE JOURNAL, THE PEOPLE'S JOURNAL TONIGHT, and THE PEOPLE'S TALIBA. The weekly is the WOMEN'S JOURNAL; by Bernadette E. Tamayo]

[FBIS Transcribed Text] President Ramos yesterday signed into law the Official Development Assistance (ODA) Optimization Bill and the Oil Deregulation Act — two administration measures aimed at ensuring sustainable economic growth by the year 2000.

The president also signed 12 other measures and three international agreements ratified by the Senate.

"These measures form part of our continuing bold reforms to speed up Philippine development by increasing our globally competitive capabilities and enhancing the Social Reform Agenda," the president stressed.

Mr. Ramos lauded Congress for "working overtime" to pass the bills. Senate President Neptali Gonzales and House Speaker Jose de Venecia witnessed the signing of the bills in Malacanang [presidential palace].

At the same time, Mr. Ramos appealed to Congress to take advantage of the coming recess to review pending "critical bills" and pass them before the year ends.

He was referring in particular to the amendments to the Expanded Value-Added Tax, two other components of the Comprehensive Tax Reform Package — the income tax exemptions and excise tax on beer and cigarettes — and the proposed Agricultural Productivity and Irrigation Act.

"All these urgent bills are crucial not only in ensuring our growth momentum but also in guaranteeing a greater degree of social equity for our people, majority of whom must still be lifted from poverty to economic self-sufficiency," the president said.

Republic Act [RA] 8182 exempts ODA loans from the foreign debt limit.

As such, it assures the country of obtaining \$2 billion in loans from Japan needed to push vital economic and social reform projects nationwide.

The president said the ODA loans will help the government realize its various social reform programs, totalling to P [pesos] 435 billion as well as GATT-WTO related adjustment measures or the so-called "safety nets."

On the other hand, RA 8184 simplifies the current oil tax structure and integrates the present specific taxes, the P1 special oil levy and the 7 percent differential of the tariff reduction on crude oil.

RA 8184 provides for 46-centavo increase per liter in the price of leaded gasoline; a 5-centavo decrease in regular gasoline; P1.50 reduction in aviation fuel; 50-centavo decrease in kerosene; 10-centavo decrease in bunker fuel; and 4-centavo decrease in liquefied petroleum gas.

But prices of unleaded gasoline and diesel stay. National Economic and Development Authority Director General Cielito Habito said these adjustments will take effect on July 17 based.

"This (RA 8184) serves as a reasonable compromise between government's objective to promote financial stability despite the fluctuations in the world oil prices

and oil companies pricing to reflect their support for government's policies toward consumer welfare and environmental enhancement," the president said.

The president also signed the following bills:

— RA 8183 repealing RA 529, as amended, assuring the uniform value of the Philippine coin.

— RA 8184 restructuring the excise tax on petroleum products, amending for the purpose pertinent sections of the National Internal Revenue Code.

— RA 8185 amending Section 324 (d) of RA 7160 otherwise known as the Local Government Code of 1991.

— RA 8186 prescribing the officer grade distribution in the active force of the Armed Forces and limiting the tenure of officers in the grade of colonel, captain, general, and flag officers of the Armed Forces.

— RA 8187 granting paternity leave of seven days with full pay to all married male employees in the private and public sectors for the first four deliveries of their legitimate spouse.

— RA 8188 increasing the penalty and imposing double indemnity for violation of the prescribed increases or adjustment in the wage rate.

— RA 8189 providing for a general registration of voters and a system of continuing registration, prescribing the procedures thereof and authorizing the appropriation of funds thereof.

— RA 8190 granting priority to residents of the barangay [village], municipality, or city where the school is located in the hiring of public school teachers.

— RA 8191 prescribing measures for the prevention and control of diabetes in the country, providing for the creation of a National Commission on Diabetes.

— RA 8192 converting the municipality of Sagay into a city.

— RA 8193 establishing the Jose Rizal Memorial State College in Dapitan, Zamboanga del Norte.

— RA 8194 creating separate engineering district in the first congressional district of Zamboanga del Norte.

At the same time, the president signed the ratification of Protocol IV of the United Nations Inhumane Weapons Convention of 1980 which complements the Philippine's earlier call for the Asia-Pacific region to be a nuclear-free zone.

He also signed the Philippine-Canada Social Security Agreement conferring on both Filipinos and Canadian

citizens equal protection under their respective social security laws.

The chief executive signed the government's concurrence to the Hague Convention on the Protection of Children providing requirements for inter-country adoption which the Philippines signed in May 1993.

Philippines: Local Leaders Oppose Proposed Council for Mindanao

BK1406031996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 13 Jun 96

[FBIS Translated Text] The political and sectoral leaders in Zamboanga City have yesterday signed a manifesto opposing the proposal of the government peace panel to create the Southern Philippines Council on Peace and Development.

Local leaders believe this has the sole aim of yielding to the MNLF [Moro National Liberation Front] Chairman Nur Misuari. They fear the council will turn out to be a provisional government for Misuari in Mindanao.

Thailand

Thailand: GM Decision Hailed as 'New Chapter' in Economic Ties

BK1306153496 (Internet) Ministry of Foreign Affairs of Thailand WWW in English 11 Jun 96

["Press release" issued by the Foreign Ministry Information Department in Bangkok on 11 June: "General Motors Selects Thailand as Site of New Plant"]

[FBIS Transcribed Text] On 30 May 1996, Donald Sullivan, General Motor Corporation's (GM) President of Asian Pacific operations announced its decision to choose Thailand as the site of a \$750 million manufacturing plant. The plant, to be located at the Eastern Seaboard will be GM's second in Southeast Asia following one set up in Indonesia earlier.

The Royal Thai Government believes the decision taken by America's leading car manufacturer marks a new era of cooperation between private sectors of our two nations which should lay the foundation for the reinvestment of the American automotive industry in Thailand. Furthermore, a GM manufacturing plant in Thailand reaffirms the government's confidence in Thailand's readiness to be Asia's automotive manufacturing capital.

The GM plant, expected to create 1,500 jobs will also stimulate the growth of complimentary industries already available in Thailand. The idea of manufacturing from scratch should also provide the opportunity for the

transfer of technological know how in the field. To our local consumers, GM's presence will inject the concept of competitiveness in quality and price to the market. Even though the site of this particular plant will be in Thailand, we believe the recent surge in intra-Asean trade will not only benefit Thais and Americans alike, but will prove beneficial to the region as a whole.

This new chapter in Thai-American investment and trade is a direct result of the long standing links between our two nations, the close coordination between our private sectors, and the determination of our public sectors to see the deal come through.

Thailand: Minister Notes U.S. Officials' Visit, ASEAN View on Burma

BK1206102196 Bangkok KRUNGTHEP THURAKIT in Thai 12 Jun 96 p 31

[Unattributed report]

[FBIS Translated Text] According to Foreign Minister Amnuai Wirawan, the senior ASEAN officials meeting held two days ago proposed that Indonesia, in its capacity as ASEAN chairman and host of this June's meeting of the ASEAN Regional Forum [ARF], visit Burma to discuss the Burmese role in the ARF. In Burma, the Indonesian foreign minister will also discuss the regional situation and certain Burmese political issues. Although it is ASEAN policy not to meddle in Burma's internal affairs, he will convey his concern as a friend as well as consult on ways to enhance ties and a Burmese role.

Regarding the visit of two U.S. officials to Thailand to discuss the Burma issue, Amnuai said the officials are a former U.S. envoy to Thailand and a U.S. national security official. They will arrive on 14 June after visiting Japan and the Philippines. He will send a helicopter to take them to meet with him in Phatthaya. He has to attend a meeting on government manpower in Phatthaya on 15 June. They will exchange views on cooperation from Asian countries, including ASEAN and Japan, regarding Burma. ASEAN will have to have a stand and a common position on this issue. However, Amnuai said that a position has not been established, therefore there has to be a consultation because Burma has not decided whether it would join ASEAN. ASEAN hopes Burma will decide sooner than its current target date to join after the year 2000.

Thailand: Amnuai Discusses Meeting With U.S. Envoys on Burma

BK1506162196 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 15 Jun 96

[FBIS Translated Text] Thailand reaffirmed its stand on a constructive policy with Burma and other ASEAN countries after meeting with U.S. special envoys.

Deputy Prime Minister and Foreign Minister Amnuai Wirawan today met with William Brown and Stanley Roth, special envoys of President Bill Clinton. The meeting which took place in Phatthaya resort town lasted over an hour. The U.S. envoys arrived in Thailand on their last leg of visits to sound out the ASEAN's stand on the political situation in Burma.

Reporting on the meeting, Minister Amnuai said he reiterated Thailand's stand of non interference in Burma's political affairs and its adherence to the policy of constructive engagement toward Burma. A political assessment on Burma, he said, showed that there has been an improvement in the situation there and that there has been no reported violence. Minister Amnuai believed the stand taken by Thailand and other ASEAN countries would not draw negative U.S. reaction since the United States indicated its intention to learn about our opinions. In addition, the United States realized that it cannot influence other countries' thinking.

During the meeting, the U.S. special envoys also inquired about Thailand's narcotics problems and noted that production is still high in the region. Minister Amnuai confirmed continued cooperation between Thailand and the United States, as well as Thailand's neighboring countries, in the area of narcotics suppression. He noted a decline in drugs output as a result of suppression efforts.

Thailand: Former Minister Comments on U.S.'s Burma Approach

BK1606145196 Bangkok SIAM POST in Thai 15 Jun 96 p 2

[Unattributed report]

[FBIS Translated Text] Discussing the U.S. call for ASEAN to review human rights violations by the military government in Burma, Surin Phitsuwan, former deputy foreign minister [and Democrat Party Executive Committee member], said we must heed the concerns of the outside world, such as the United States, but we must also study the possible results that might follow. He said Thailand stands to suffer the worst impact should something happen, whereas the United States takes no risks at all.

Surin said Thailand cannot afford to have its relations with Burma cut, because Thailand is a neighbor that shares a 2,400-km long common border with Burma. Thailand would suffer more than other ASEAN countries if anything should happen in Burma.

The former deputy foreign minister noted that, compared to the situation four or five years ago, the political trend in Burma has relatively changed since the release of Aung San Suu Kyi from house arrest. It was a positive step, and Thailand should respond to this constructively and in a spirit of friendship and mutual assistance with a neighboring country.

Commenting on the U.S. method of assessing a situation for developing its policy guidelines for other countries, Surin said there were examples of mistakes—such as in the cases of Korea and Vietnam and in U.S. efforts to resolve the conflicts in Yugoslavia and Bosnia, which still remains unsettled.

The United States is seeking the support of other countries to boycott the military government in Burma after it arrested a large number of dissidents in Aung San Suu Kyi's opposition camp prior to a planned rally in an attempt to block Aung San Suu Kyi's political work.

Thailand: ASEAN Urged To Make Copyright Issue 'Top Priority'

BK1206054396 Bangkok THE NATION in English
12 Jun 96 p B2

[Report by Nitsara Sihanam]

[FBIS Transcribed Text] Thailand has urged ASEAN countries to make copyright issues top priority at the Developing Asia Forum on IP (intellectual property) to be held in Bangkok next month.

All 17 developing Asian countries will be involved in positioning talks on copyrights at a WTO Ministerial Meeting scheduled for the end of the year.

Wirawit Wirawarit, director of the technical and planning division of the Department of Intellectual Property, said the meeting will focus on major copyright issues as well as the problem of repetition of digital and computer systems.

"Some European countries believe that the parallel use of both ROM and RAM systems will create a repetition problem in communication. The U.S. and Japan have agreed with Thai representatives that this should not be seen as repetition, because it is a matter of technological application — in keeping with the information in a system," Wirawit said.

"Thailand, as host, will summarise the results of the meeting for the WTO Council. A number of countries show signs of agreeing on certain copyright issues and appear willing to implement action on the WTO stage by the end of this year," Wirawit said.

Wirawit noted that in the past, developing countries had only a minor role in determining intellectual property rights. But now developing countries are showing a tendency to reject proposals they find unacceptable from more powerful countries.

At the meeting, Thailand will propose creating a law protecting information collected in databases. Protection will extend to folk culture. Some African countries have already agreed on certain points with Thailand.

Thailand: Foreign Minister: ASEAN 'Will Not Interfere' in Burma

BK1206155896 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 12 Jun 96

[FBIS Translated Text] Foreign Affairs Minister Dr. Amnuai Wirawan, speaking about the current tense situation in Burma, said ASEAN will not interfere in Burma's internal affairs. Dr. Amnuai Wirawan also denied the news report that the United States has sent a representatives to lobby ASEAN leaders to put pressure on the Burmese Government in connection with its human rights violations. He reiterated that ASEAN will continue to pursue its creative policy toward Burma.

[Begin recording] [Unidentified correspondent] It has been reported that ASEAN may send the Indonesian foreign minister to Burma as its representative to hold discussions with the Burmese side.

[Amnuai] That is merely a proposal by officials. It is not yet a conclusion or decision by ASEAN ministers. The Indonesian foreign minister is also not prepared to do this. [end recording]

Thailand: Amnuai Reiterates Noninterference Policy on Burma

BK1406083296 Bangkok THAILAND TIMES
in English 14 Jun 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Foreign Minister Amnuai Wirawan yesterday reiterated Thailand's firm policy towards Burma's internal affairs, saying Thailand will not shove a hand in the internal affairs of other countries.

Dr Amnuai's statement was echoed by the House committee on foreign affairs chaired by Chan Phatthana Party MP for Nakhon Ratchasima Suwat Liptaphanlop.

The two officials voiced their concerted standpoint concerning the troubled western neighbor. However, they said they wanted to see peace and stability in the region.

Asked about Australia and New Zealand's recent calls on Thailand to review ASEAN's policy to grant Burma membership to the ASEAN Regional Forum, Dr Amnuai said every country has its full right to exercise its own national policy.

He said the world's community should not apply isolationist policy on any country because it has never been successful in any country, adding that ASEAN will not isolate Burma either.

US special envoys, dispatched this week to seek "co-ordinated response" from ASEAN countries to recent political developments in Burma, are to meet Dr Amnuai on Saturday in Phatthaya.

"The US envoys will find out that ASEAN's (constructive engagement) policy towards Burma is suitable and the right thing," said the minister, adding, "America itself might even cooperate with ASEAN."

Suwat said Thailand had done the right thing by staying away from internal affairs of Burma, adding that the relations between the two countries were crucial.

The US envoys, retired ambassador William Brown and Stanley Roth of the US Institute for Peace, yesterday met with Malaysian Deputy Prime Minister Anwar Ibrahim and Deputy Foreign Minister Leo Michael Toyad in Kuala Lumpur.

The US officials declined to comment on the talks.

The envoys left for Jakarta later yesterday and were due to arrive in Bangkok today.

Malaysian Prime Minister Mahathir Mohamed, currently abroad on holiday, last month described Burma's recent mass arrest of opposition activists as internal politics and said Malaysia would not speak out against the crackdown.

"We are not in the business of advising others how to run their country," Mahathir had said.

Thailand: Minister Urges Indonesian Minister To Visit Burma

BK1206051296 Bangkok Radio Thailand Network in Thai 0000 GMT 12 Jun 96

[FBIS Translated Text] Amnuai Wirawan, deputy prime minister and minister of foreign affairs, granted an interview to reporters to discuss the situation in Burma. He said that the Indonesian foreign minister, in his capacity as chairman of ASEAN, should visit Burma

to discuss the regional situation, and Burma's stability and security. Amnuai said this visit is a normal practice, as Burma will soon become a new member of ASEAN. Amnuai explained that the Indonesian minister has to go there to discuss Burma's role in the Southeast Asian Regional Forum, or ARF.

Thailand: Foreign Minister on 'Right' To Set Policy on Burma

BK1606101696 Bangkok THE SUNDAY POST in English 16 Jun 96 p 1

[Report by Phanrawi Tansuphaphon, Saritdet Marukhathat, and Amonrat Mahitthiruk from Phatthaya and Kuala Lumpur]

[FBIS Transcribed Text] Thailand yesterday asserted its right to conduct an independent policy on Burma, and a senior Foreign Ministry official urged Burmese opposition leader Aung San Suu Kyi to adopt a softer approach in calling for more freedom.

"All regional countries want the same objective of stability, but the policy management of each country may be different," Foreign Minister Amnuai Wirawan told reporters after meeting United States special envoys William Brown and Stanley Roth in Phatthaya.

The US is located far from Burma but is no different from other countries in that it also seeks stability in this region, he pointed out.

"The US will help support the principle of constructive engagement and does not have any problem with the policy," he added.

In Kuala Lumpur, Permanent Secretary for Foreign Affairs Thep Thewakun criticised Mrs. Suu Kyi's approach to bringing about change in Burma, including the decision by her National League for Democracy [NLD] to draft an alternative constitution.

"Staging protests is unacceptable to the military regime," M.R. [Mom Ratchawong — royal title] Thep said.

The State Law and Order Restoration Council [SLORC] is under pressure to lead the country to catch up with others in Southeast Asia and would accept her call for more freedom if she adopted a softer approach, he added.

Burma seeks membership of the Association of South-east Asian Nations.

M.R. Thep stressed that he was stating his personal opinion, and admitted he risked being labelled an "advocate" of dictatorship for it.

Thailand was the first ASEAN state to express concern about the arrests of NLD members in the run-up to their May 27-28 congress. Thailand was also the only ASEAN state to send a representative to observe the congress.

M.R. Thep's remarks, made to reporters at the end of a meeting of ASEAN officials on developing the Mekong basin as well as Burma, Cambodia, China and Laos, were similar to those he made earlier to the Kyodo News Agency in Bangkok.

M.R. Thep commended Mrs. Suu Kyi for her courage and determination to lead Burma out of the military's grip, but he questioned her ability to control the situation if rapid changes took place.

The Burmese people would suffer if conflict broke out, he noted.

M.R. Thep urged the opposition leader to join the SLORC in drafting the new constitution.

The SLORC is using the Indonesian constitution as a model. It is a good one because it paves the way for a gradual change in the role of the military he said.

The NLD has rejected the constitution being drafted by the SLORC, and at the end of its congress announced its own plans to draft an alternative one.

Senior ASEAN officials last week suggested that Indonesia, as chairman of ASEAN, send Foreign Minister Ali Alatas to Rangoon for talks with the SLORC and Mrs. Suu Kyi.

Mr. Alatas has rejected the idea.

Mr. Amnuai said ASEAN foreign ministers could again raise the idea of sending an envoy for talks in Burma at their meeting in Jakarta next month.

But a source claimed no ASEAN state wanted to send an envoy to Rangoon at this point because there was a lack of consensus among them regarding Burma.

Thailand: Burmese Ask Longer Hours for Mae Sai Checkpoint

*BK1506143496 Bangkok BANGKOK POST
in English 15 Jun 96 p 2*

[Unattributed Report]

[FBIS Transcribed Text] Chiang Rai — Burmese authorities in Tachilek have asked Thailand to keep the Mae Sai-Tachilek border checkpoints open for three more hours daily.

Currently, the checkpoints are open from 6 a.m.-6 p.m., but Tachilek Governor Col Khin Soe would like the

closing time extended to 9 p.m. to allow people from both sides more time to contact one another.

Chiang Rai Governor Khamron Bunchoert said he would ask provincial authorities to consider the request before submitting it to the Thai-Burmese Regional Border Committee for a final decision at their meeting in Phitsanulok next week.

Mr Khamron said Burma would also allow Thai tourists to go as far as Kengtung provided they used vehicles and guides arranged by Burmese authorities.

The border dispute between Thailand and Burma on rival claims to an area at Doi Lang in Mae Ai District of Chiang Mai Province will be raised during a meeting next week of the regional border committee.

Army Deputy Commander-in-Chief Chettha Thanacharo said he hoped the dispute could be settled amicably during the June 18-21 talks in Phitsanulok.

The area in question covers 31 square kilometres between Doi Lang ridge and Huai Ha stream. Both countries, holding different sets of maps, have staked claims to the area.

Gen Chettha said Thai claims to the area could be seen by the several million baht a month it spends to maintain military forces at the site.

Thailand sent troops after Burmese forces occupied the area, a former Mong Tai Army stronghold, following opium warlord Khun Sa's surrender to the State Law and Order Restoration Council early this year.

Gen Chettha, who visited the troops on Wednesday, said he would soon invite Burmese Eastern Region Commander Maj-Gen Tin Tut for dinner to discuss the matter.

Meanwhile, Third Army Region Commander Lt-Gen Thanom Watcharaphut said the meeting next week would also discuss the border line along the Moei River in Mae Sot, Tak Province.

Gen Chettha also said the Army's special task force would continue its crackdown on war weapons along the Thai-Burmese border to ensure security of life and property.

He was inspecting the border situation in several border districts of Tak.

According to the army deputy commander-in-chief, the Third Army Region is on alert against any future attacks by members of the Democratic Karen Buddhist Army, who have carried out several raids on refugee camps and villages on the Thai side.

Thailand: Columnist Urges Review of Policy Toward Burma

*BK1606144896 Bangkok MATICHON in Thai
16 Jun 96 p 4*

[Phairat Phongphanit's "Asia Trend" Column: "ASEAN Must Review Its Policy Toward Burma"]

[FBIS Translated Text] Development of the political situation in Burma in the past week reflects the fact that the constructive engagement policy ASEAN has conducted toward Burma has not generated any positive political development in that country. This is because the Burmese military government has not responded to the call of the international community for a democratic atmosphere in Burma. Just the opposite, its order banning the weekly gathering and the rally commemorating the sixth anniversary of the National League for Democracy clearly shows the Burmese Government's dictatorial intention to prevent freedom of expression.

The constructive engagement policy amounts to an attempt to use a constructive relationship to induce positive developments in Burma. To date, however, constructive engagement has only resulted in business and investment opportunities in Burma for ASEAN countries, Japan, and certain other countries. These investments have not benefited the Burmese majority, but have benefited the Burmese power holders and a handful of their colleagues. No one knows this better than Aung San Suu Kyi, the Burmese opposition leader.

A question that has triggered much debate is whether pressure by ASEAN could create an improved democratic situation in Burma. History has shown that the answer to that question is no. That does not mean, however, that ASEAN should have ignored the use of some serious measures and should simply have allowed the situation in Burma to slide to the current stage. ASEAN's lack of action has tarnished it in the eyes of the international community.

The fact is that ASEAN has considerable measures at its disposal to pressure Burma. The measures do not have to be so aggressive that they trigger controversies. They can be applied in an intelligent, subtle, and gradual manner. This would restore ASEAN's image in the eyes of the international community and accelerate the democratic process in Burma at the same time.

The Indonesian foreign minister's rejection of the suggestion by the meeting of ASEAN senior officials to visit Burma and the Thai Government's display of fondness toward Burma are developments that puzzle the international community. Perhaps the time has come for ASEAN to readjust its policy toward Burma — in the interest of Burma and of ASEAN itself.

Thailand: Traders Criticize Burma's New Timber Export Rules

*BK1706032596 Bangkok BANGKOK POST
in English 17 Jun 96 p 6*

[Unattributed report]

[FBIS Transcribed Text] Mae Hong Son — A new regulation imposed by the Burmese military junta which requires all export timber to be routed through Rangoon has angered Thai timber merchants.

An informed timber trading source said the State Law and Order Restoration Council (SLORC) had also demanded that payment for the timber is in U.S. currency only.

Under present practice Thai timber merchants clinch timber purchasing deals directly with the Burmese government in Rangoon. After that the teak logs which are stored in states bordering Thailand, such as Shan and Kaya states, are inspected and trucked across the border without having to be sent to Rangoon for shipment to Thailand.

Thai timber merchants feel that the routing of the timber from the border to Rangoon for shipment to southern Thai provinces on the western coast would add unnecessary costs.

The sources said Thai merchants might be tempted to save costs by making underhand deals with some Burmese army of fixers and have the timber smuggled across the border instead.

Thailand: Lao Power Deal Hinges on Transmission Line From China

*BK1506144096 Bangkok BANGKOK POST
in English 15 Jun 96 p 15*

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] The National Energy Policy Committee [NEPC] yesterday ruled that Laos must allow Thailand to build a transmission line from China to Thailand as a condition for the kingdom to double its power purchase from Laos.

NEPC, chaired by the prime minister, set that the line must be built before Thailand signs a second memorandum of understanding to buy 1,500 MW of electricity from Laos starting 2006.

A memorandum of understanding has been in place since 1993 for Thailand to buy 1,500 MW from Laos. Yesterday's NEPC decision is meant to help Thailand's planned power purchase from Yunnan in Southern China, according to Thai officials.

The Electricity Generating Authority of Thailand (EGAT) and Yunnan Provincial Electric Power Bureau have signed an agreement to allow private firms to develop electricity power in Yunnan to supply Thailand. At least two hydropower projects are under feasibility studies at Jinghong and Mensong.

Jinghong is the hydropower project in Yunnan which has huge potential generating capacity, up 22,240 megawatts.

Secretary General of the National Energy Policy Committee Piyaswat Amaranan said Thailand planned to sign the second memorandum of understanding with Laos during Prime Minister Banhan Sinlapa-acha's visit to Laos next week.

But some technical snags must first be cleared on Theun Hin Boun, a hydropower project in Laos under the first memorandum.

Thailand and Laos are unable to finalise an accord to buy 600 MW from Theun Hin Boun because of a disagreement on the arbitration process if disputes arise under the dealing.

The committee yesterday also approved the tariff EGAT will pay for power from the Hongsa lignite-fired power plant, at 5.7 US cents per/kilowatt hour for the first stage of a power plant project which has a capacity of 600 MW. The tariff would be 5.6 cents in the second stage of the project.

In another development, the committee wants to increase power purchases from small power producers (SPPs) from 1,444 MW to 3,200 MW by the year 2000.

The committee also authorised EGAT and the National Policy Office to find new ways to buy electricity from SPPs after the year 2001.

The committee wants EGAT to set a new regulation on buying electricity from independent power producers (IPPs).

Thailand: Khun Sa Reportedly Expands Jade Trade With Taiwanese

*BK1506125996 Bangkok BANGKOK POST
in English 15 Jun 96 p 2*

[Unattributed Report]

[FBIS Transcribed Text] Mae Hong Son — Khun Sa has expanded his jewellery and jade trade with Taiwanese businessmen, a source at his former Ho Mong base said yesterday.

Part of his revenue from the gems and jade from Mogok and Mong Hsu in northern Burma is handed over to

the Rangoon regime the former Mong Tai Army leader defected to in January.

Large quantities of gems and jade have been transferred from Ho Mong to be cut at Khun Sa's plants in Rangoon, said the source.

To meet demand, Khun Sa has also ordered his aides to take 20 gem-cutting machines from Ho Mong to Rangoon.

Khun Sa, who dominated the heroin trade from his former Shan State stronghold, is said to have moved six Taiwanese experts in ruby and jade design and gem cutters and 10 workers from Ho Mong to his plants in Rangoon.

Most of Burma's high-quality gems are from four to five mines in Mogok and Mong Hsu which Khun Sa handed over when he capitulated to the self-styled State Law and Order Restoration Council.

— A protest was filed with Burma yesterday after a mortar attack wounded several Karen in a Tha Song Yang refugee camp in Tak on Thursday night.

The protest, signed by Col Suwit Maenmuan, chairman of the Joint Border Committee, was handed to Lt-Col Kyaw Hlaing, his Burmese counterpart, in Myawadi.

It said the attack, thought to be the work of renegade Karen backed by Rangoon, was a violation of Thai sovereignty that could damage relations.

A military source said fighters of the Democratic Karen Buddhist Army at Bhophawta camp, Burma, fired eight 81mm rounds at Sho Khlo camp at 6.40 p.m. and 7.30 p.m.

The attack, in which civilians identified as Ta Kue, 13, Shi Kaw, 24, and Mue Khi Pho, 27, were wounded, prompted Thai forces to reply with five artillery rounds.

A Karen official said that a few days before the attack, the renegades spread word they would attack Ban Nong Bua camp, 4km-5km south of Sho Khlo camp along the Moei River.

Border Patrol Police said the shelling of Sho Khlo indicated the renegades were persisting with their campaign of intimidation to force Karen refugees to return.

Thailand: Proposal on International Rail Network Wins Approval

*BK1606104096 Bangkok THE SUNDAY POST
in English 16 Jun 96 p 3*

[Unattributed report]

[FBIS Transcribed Text] The committee considering economic cooperation with neighbouring countries yes-

terday approved a proposal to construct three railway networks linking five regional countries.

According to Deputy Commerce Minister Montri Danphaibun, the proposed three networks include the 1,315-kilometre Chiang Mai- Chiang Rai-Luang Namtha-Kengtung-Kunming route, the 1,360-kilometre Nong Khai-Vientiane-Luang Namtha-Jinghong-Kunming route, and the 1,218-kilometre Chiang Mai-Chiang Rai-Kengtung-Jinghong-Kunming route.

Construction cost for the three routes is estimated at 42.35 billion baht, 4.5 billion baht and 40 billion baht respectively.

After completion the three routes would link existing railways in six countries — Singapore, Malaysia, Thailand, Cambodia, Vietnam and China.

The committee, according to Mr. Montri, will also push for construction of a highway linking Thailand, Laos and Vietnam from Nakhon Phanom-Mukdahan-Savannakhet-Danang, and the building of a second bridge across the Mekong River at Mukdahan.

Mr. Montri also said the ministries of Finance and Transport have proposed the construction of a third bridge across the Mekong River from Nakhon Phanom, linking Thailand with Route No 8 from Laos to Vietnam which is 80 percent complete.

Thailand: Envoy Proposes Antidrug Deal for EU Tariff Perks

BK1706044496 Bangkok BANGKOK POST
in English 17 Jun 96 p 22

[Report by Somporn Thapphanachai]

[FBIS Transcribed Text] Thailand should help the European Union reduce worldwide narcotics production and suppress drug trafficking in exchange for EU tariff privileges under the GSP (Generalised System of Preferences) programme.

Phitsanu Rianmahasan, the Thai Commercial Counsellor in Brussels, said this to Permanent Secretary for Commerce Somphon Kiatphaibun.

Thailand earlier said the EU discriminated against the kingdom in granting a tariff concessions to 11 countries of the Andean group including Peru, Bolivia Colombia, and Central America, claiming it was also trying to combat drug trading.

Thailand threatened to take the case to the World Trade Organisation to seek fair treatment, claiming it should gain the same privileges as the Andean countries.

Mr Phitsanu said if Thailand wants such benefits, the country must also create an agreement with the EU, even if privileges are not exactly the same.

If an agreement could be reached to restore Thai GSP benefits to farm products, the EU would amend its approved package of new GSP farm products to Thailand.

A Commerce Ministry source said restoration would benefit Thai farmers, especially those in the fishery industry who have been adversely impacted under the new GSP package for farm products.

The package, effective next month grants tariff concessions to developing countries based on the level of economic development and sensibility of products offered by beneficiary countries.

Thailand is graded as a developed country. But it argued that its per capita gross national product in 1995 was only U.S. \$2,680 compared to Japan, \$36,315; the U.S., \$26,620; and France, \$24,905, and should not be regarded as developed.

Products on a list to be removed from the GSP programme include seafood such as frozen shrimp, frozen squid, and cuttlefish, canned pineapples and other prepared and processed foodstuffs, and cut flowers. These products are sensitive to EU local industries.

Products considered very sensitive to EU industries will be protected by an 85-percent import tariff, meaning foreign exporters must pay 85-percent import tax compared to zero for previous exports.

Sensitive products will have less protection of 70 percent, and a semi-sensitive group will be protected with 30 percent. Non-sensitive will have no protection.

This means Thai products will be less competitive as the country now relies highly on GSP benefits to assist agricultural exports.

Vice-president of the Thai Frozen Foods Association Somsak Phanittiyasai said Thailand should take immediate action or it risked losing 15 billion baht per annum.

Almost 30 percent of Thai shrimp exports go to the EU. About 75,000 tons of shrimps were exported there last year. Thailand exported 202,000 tons of shrimp worldwide — 77,955 tons to Japan, the major buyer.

Mr Somsak urged the government to lower production costs of animal feed to boost competition.

Thailand: Central Bank Baht Spread Plans Delayed by Slow Exports*BK1706052196 Bangkok BUSINESS DAY in English
17 Jun 96 p 1*

[Report by Staff Writer]

[FBIS Transcribed Text] The drop in export growth in the first quarter of the year has forced the Bank of Thailand [BOT] to slow its plans to widen the spread within which the baht can be traded against the U.S. dollar.

The BOT had planned to widen, even to double, the limits within which its exchange equalization fund would allow the baht to move before intervening in the market. This move was seen as the best way to put a lid on excessive speculation on the rate.

The fund currently announces a benchmark rate in the morning and intervenes in order to keep the rate within a range of 4 satang — two satang up and two satang down.

The fixed and narrow bandwidth makes risk management easy for exporters. At the same time it encourages speculation on the exchange rate by commercial banks and overseas speculators.

Roengchai Marakanon, BOT deputy governor, recently said a BOT study indicated that even with a spread as large as nine satang exporters would not be affected. However, the central bank has yet to determine a final figure for the spread.

A source at the central bank said a meeting last week failed to reach a resolution on the spread as some members of the baht rate committee were concerned that exporters would be affected. With higher risks arising from a wider spread, exporters would have little choice but take out hedging instruments to cover their exchange rate risks.

The source said the commercial banks might welcome the change initially but as a final conclusion they might be tempted to make exporters pay for the increased cost of risk management.

The banks could do so by increasing fees involving currency exchange and risk management, the source said.

BOT's latest hesitant approach to the matter has resulted from the decrease of export growth in the first quarter when it was only 13 percent against more than 20 percent in the same period of previous year.

Thailand: Finance Minister Expects Export Turnaround*BK1706051696 Bangkok THE NATION in English
17 Jun 96 p B2*

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Finance Minister Bodi Chunnanon said the sharp decline in Thailand's export growth in the first four months of this year could be a temporary phenomenon and optimistically anticipated that growth will likely pick up in the second half.

Bodi said he will take two or three months to analyse the trends in Thailand's export growth, which have raised substantial concern about the competitiveness of Thai industries internationally.

"We have to look at the details of each exporting sector before we get a clear picture," he said.

The Bank of Thailand's report that Thai exports grew at only 8.67 per cent in the first four months of this year, compared to 25 per cent in the same period of 1995, has cast gloom over the sustainability of the country's economic growth amid fierce global competition.

Olan Chaiprawat, president of Siam Commercial Bank, said the decline in export growth may signal a dramatic turning point in the ability of Thailand to transform itself from a labour-intensive economy into a highly value-added one.

If the downward trend continues Olan suggested that it could only be interpreted as Thailand lagging behind other nations in leap-frogging into a more competitive economy.

Bodi indicated that if the slowdown in export growth is a permanent trend then the Finance Ministry will apply fiscal and other measures, such as tariff cuts on imported raw materials to boost export growth.

He also suggested that Thailand needs to upgrade its labour-intensive industries into value-added businesses, which will increase the export value.

Meanwhile, Finance Ministry Permanent Secretary M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun claimed the snail-pace development of key upstream projects has adversely impacted export growth by driving up manufacturer's production costs.

"The infrastructure shortfall has raised the production cost of export goods," he said.

Several projects, such as the steel plant and the petrochemical and expressway construction projects, have not been finished within the scheduled period, Chatumongkhon said.

The steel plant investment plan, worth Bt300 billion, has reached a deadlock; a petrochemical project with an investment of Bt19 billion is still unfinished; and slow progress has been made in the construction of a new expressway worth about Bt30 billion he said.

Thailand's export decline is contrary to the economic expansion of Thailand's major export markets, such as the United States, Japan and the European Union he said.

"To increase export growth, we have to accelerate infrastructure projects," he remarked.

In a related development, Bodi said that he expected inflation to stay at 5.7 per cent this year, higher than the target of 4.9 per cent.

Although there are signs of a downturn in inflation, it may not be enough to meet the 4.9 per cent target because it is unlikely that inflation in the latter months will be under 5 per cent, he said. Inflation in May was down to 6.1 per cent from 6.9 per cent in the previous month.

The current account deficit may fall below 8 per cent from the current rate of 8.1 per cent of gross domestic product, he added.

Thailand: Party Rules Out Joining Coalition Government

BK1706054696 Bangkok Radio Thailand Network in Thai 0000 GMT 12 Jun 96

[Report by correspondent Nittaya Hiranpradit on 11 June — recorded]

[FBIS Translated Text] Chat Phatthana leader General Chatchai Chunhawan confirmed to reporters after the party executive committee meeting that the party will not join the government. He made the statement after various reports had been carried on the issue.

[Begin recording] [Chatchai] The party executive committee unanimously decided that the prime minister must resign first.

[Reporter] Does it mean that after the resignation anything would be possible?

[Chatchai] I don't know yet. We must wait to see how the resignation is done, and who resigns. [end recording]

The Chat Phatthana Party leader added that the political situation would improve only if the prime minister resigned.

Meanwhile, Kon Thappharangsi, deputy leader of the Chat Phatthana Party, also called for the resignation of the prime minister because he has been unable to solve

the plight of the people. Moreover, the inflation rate has soared to an unprecedented level.

[Begin recording] [Kon] Inflation... that means goods are more expensive, while the purchasing power has dropped gradually. The inflation rate of more than 7 percent is unprecedentedly high. This is really a burden for the people. [end recording]

Thailand: Prachakon Thai Party Withdraws From Coalition Government

BK1506152396 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 15 Jun 96

[FBIS Translated Text] The Prachakon Thai Party last night tendered a letter withdrawing from the coalition government. Prime Minister Banhan Sinlapa-acha, however, reaffirmed the stability of the government.

Talking to reporters after attending the garden party held to mark His Majesty the King's Golden Jubilee last night, Samak Sunthorawet, former deputy prime minister and leader of the Prachakon Thai Party, said that he had tendered his resignation to Prime Minister Banhan Sinlapa-acha. He said that there was no problem.

Prime Minister Banhan Sinlapa-acha reiterated that the government continues to be stable despite the withdrawal by the Prachakon Thai Party, with unity among the coalition parties.

Thailand: Banhan Rules Out Inviting Prachakon Thai To Rejoin Cabinet

BK1606103196 Bangkok THE SUNDAY NATION in English 16 Jun 96 p A2

[Unattributed report]

[FBIS Transcribed Text] The Prachakon Thai Party would not be invited to rejoin the coalition government even if there was a Cabinet reshuffle next month, Prime Minister Banhan Sinlapa-acha said.

After attending a garden party Friday night to celebrate His Majesty the King's 50th year on the throne, Banhan said the government could survive with just 214 MPs.

Asked whether he would bring back the party if there was a Cabinet shake-up next month, the prime minister said: "No. We have no problems. We can continue working."

Prachakon Thai formally left the Banhan administration yesterday.

Defence Minister Chawalit Yongchaiyut said yesterday the government was still stable after the party's withdrawal.

The New Aspiration Party (NAP) leader called on coalition partners to join hands for the government's survival.

Chaturon Chaisaeng (NAP-Chachoengsao) said the government could survive with the 214-vote majority if the Chat Thai Party's Thoei Thai faction did not cause trouble.

"Nothing will be worrisome as long as there are no conflicts within the government," he said.

He called on the prime minister to appoint new Cabinet members to take the three ministerial posts left vacant by Prachakon Thai. Prachakon Thai spokeswoman Prawina Hongsakun said that from now on her party would closely monitor the government's performance.

Democrat Party Secretary-General Sanan Khachonprasat denied that his party, the NAP and the Chat Phatthana Party would become the core of a new government if Banhan resigned.

However, he said the government has been destabilised by Prachakon Thai's withdrawal and the prime minister should make drastic changes to the Cabinet lineup.

Thailand: General Denies 'Irregularities' in Armored Car Purchase

BK1606103596 Bangkok THE SUNDAY POST in English 16 May 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Rumours of irregularities in the planned purchase of armoured cars for the Army were dismissed by Supreme Commander Wirot Saengsanit yesterday.

A decision has yet to be made on the procurement, Gen. Wirot claimed.

"I have not yet received a report of a decision (by the committee considering the purchase). They are negotiating prices," he said.

The Supreme Command plans to acquire 295 armoured cars with its five billion baht budget.

Leaflets have been distributed attacking Gen. Wirot for procuring vehicles of which specifications do not meet the Army's requirements.

According to the leaflets, the Army wanted eight-wheel armoured cars but came under lobbying by the French manufacturer and the Supreme Commander decided all the tanks could be six-wheel.

The Supreme Commander denied he had picked the French producer to supply 295 armoured cars for the Army.

He said a committee had been set up to take responsibility for the procurement.

The four-man committee, which includes two representatives from the Supreme Command Headquarters and the Army, was to base its decision on three requirements.

These were that the purchase must be made on a government-to-government basis, that the counter-trade mechanism be employed, and that the tanks be able to accommodate at least 12 soldiers.

He said it was not possible for himself alone to decide, he had to consult the Defence Minister.

Gen. Wirot claimed the rumours were started by tank producers who feared not succeeding at the bid.

Any firm found to be involved in fabricating such reports, which were damaging to the reputation of the armed forces, would be blacklisted, he said.

A highly-placed army source said only four of over 20 tank producers proposing to supply the 295 armoured cars were chosen. They were from Germany, Canada, America and France.

The source said the committee went to each manufacturer's plant to try out the vehicles.

"Armoured cars made by all four producers meet the required qualifications, but the French firm offered a price lower than the others by almost two billion baht. So why shouldn't we choose it?" the source said.

The source denied reports that the Army had no share in the decision to buy the cars.

"Rivals of the French tank manufacturer must have been behind the rumours," the source said.

Army Commander-in-Chief Gen. Pramon Phalasin said that as the specifications and efficiency of the armoured cars proposed by a number of producers were not much different, price was the determining factor.

Thailand Establishes New Committee To Manage Economy

BK1206051496 Bangkok THE NATION in English 12 Jun 96 p B1

[Unattributed report]

[FBIS Transcribed Text] The government yesterday set up its newest committee to help manage the economy.

To be headed by Prime Minister Banhan Sinlapa-acha, the committee will have Dr Amnuai Wirawan as vice chairman and a host of old and new faces familiar with the workings of the Thai economy.

The outside experts are Thailand Development Research Institute President Dr Chalongphop Susangkorakan, two former finance ministers in Suthi Singa-ne and Dr Wiraphong Ramangkun and former deputy commerce minister and now president of the Export-Import Bank of Thailand, MR Pridiyathon Thewakun.

Government officials assigned to the committee are Finance Minister Bodi Chunnanon, Finance Permanent Secretary MR [Mom Ratchawong — royal title] Chatumongkhon Sonakun, Central Bank Governor Wichit Suphinit, Chairman of the government's economic advisory board Khosit Panpiamrat, and Secretary-General of the National Economic and Social Development Board Sumet Tantiwetchakun.

In the immediate term, the committee has been given the job of looking into short-term measures to solve the current account deficit.

Earlier, Banhan appointed Amnuai to handle the immediate issues of the current account deficit and inflation, but the working committee headed by former finance minister Dr Surakiat Sathianthai was thought to be less than capable.

For long-term economic stability, the new committee is assigned to suggest economic measures to solve any emergency problems and accelerate several committees currently working to pursue economic stability.

It will be able to appoint government officials and members of the private sector to work on behalf of the prime minister within and outside Thailand under special assignments on a case by case basis.

The committee takes up its duties on July 11.

Thailand: Cabinet Approves Amendment of Insurance Law

BK1206110696 Bangkok KRUNGTHAP THURAKIT in Thai 12 Jun 96 p 9

[Unattributed report]

[FBIS Translated Excerpt] Deputy government spokesman Phongthep Thepkanchana disclosed after the cabinet meeting on 11 June that the cabinet has approved amendment of the 1992 Life Insurance and Nonlife Insurance Acts as proposed by the Commerce Ministry. The amendment corrects articles that are not suitable in the current situation, enables it to support the rapid advance of economic and social progress, and serves the insured public.

The amendment alters the minimum ratio of shares held by Thai holders to comply with ministerial regulations to facilitate change in the shareholding ratio after liberalization. In particular, shares held by foreigners

cannot exceed 49 percent of sold shares, as opposed to the former ratio of 25 percent. The number of foreigners on the board of insurance companies must be less than half of the total number of board members, as opposed to the former requirement that Thais must constitute three-fourths of the board.

Companies that are not branches of foreign insurance companies retain the same privilege in applying for new branches under the 1967 Life and Nonlife Insurance Acts. The amendment requires insurance companies to hold as escrow the amount required by relevant ministerial regulations, or an amount no less than 10 percent of the net premium and no less than 30 million baht. Reinsurance companies are not required to separate their operations because they do not operate as direct insurers. The ministry registrar is empowered to set company expenses to ensure the efficient operation of insurance companies and to command companies to produce documents to facilitate verification of company financial status and operations. [passage omitted]

Vietnam

SRV: Top Leaders, Foreign Diplomats Attend Le Mai Funeral

BK1706114596 Hanoi Voice of Vietnam in English 1000 GMT 17 Jun 96

[FBIS Transcribed Text] A memorial service and funeral was held in Hanoi Monday [17 June] for Vietnamese Deputy Foreign Minister Le Mai, who died of sudden heart attack on June 13 at the age of 56.

Vietnamese party leader Do Muoi, Prime Minister Vo Van Kiet, National Assembly Chairman Nong Duc Manh, Vice President Nguyen Thi Binh, and many senior state and party officials paid a last tribute to Mr. Le Mai.

Ambassadors and representatives of many countries in Vietnam, including the charge d'affaires of the U.S. Embassy in Hanoi, also paid tribute and expressed condolences to the deceased's family and relatives.

Vietnamese party leader Do Muoi wrote in the mourning book that Mr. Le Mai was an outstanding diplomat and a loyal party member who was faithful to the revolutionary cause.

SRV: Dong Nai Province Discovers Circulation of Fake Notes

BK1506111296 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Jun 96 p 5

[Report by Xuan Phu]

[FBIS Translated Text] In the past five months, public security forces in Dinh Quan and Xuan Loc Districts

arrested eight people involved in the circulation of fake Vietnamese currency and seized 15 notes of 50,000 dong and 25 notes of 10,000 dong. The banking sector in Dong Nai Province — through its checks in the treasury offices in Dinh Quan, Thong Nhat, and Dong Nai Province — discovered two fake notes of 50,000 dong and one note of 5,000 dong. In addition, the public security force in Xuan Loc District also arrested one individual circulating two fake notes of \$100.

SRV: Central Highlands Face Trade Difficulties

*BK1606103096 Hanoi VNA in English
0640 GMT 16 Jun 96*

[FBIS Transcribed Text] Hanoi VNA June 16 — Vietnam has shifted its economy to the market mechanism for ten years and since then consumer goods have diversified in terms of both quality and models, satisfying the demand of local consumers. However, a paradox is arising where some people in urban and rural areas live with an essential excess of goods, their countrymen in mountainous areas do not have enough items for their daily lives.

One of the main reasons for causing the problem is that traders are only focussed on profit. Many traders have decided to quit the highlands markets because carrying goods to remote areas cost large transport fees, making the cost of the goods higher. This reduces their profit, and increases risk due to the many obstacles.

To stabilize the life and develop the economy of highlands provinces, the Political Bureau and the Government have worked out a number of resolutions and measures since 1990 to re-arrange commercial activities in these areas, thus helping the highlands market adjust itself to the new mechanism of the country.

Before 1990 there are 197 state-run trading businesses operating in 15 mountainous provinces with combined

capital of VND [Vietnamese dong] 505,535 million and 11,200 laborers. After streamlining their organizations the number of businesses was down to 86 with 9,595 laborers. On average, every three to five communes had a trading center, which meant that highlands inhabitants in remote hamlets had to travel 25-30km to reach the nearest shop.

According to statistics from the Government Committee for Ethnic Minorities and Mountainous Areas, there are 877 trading centers serving people in 2,402 communes of 15 highlands provinces at present.

Authorities in these provinces have allocated budgets for the building of more trading centers in their localities. Particularly, provinces in the Central Highlands have arranged mobile shops for people living in remote hamlets.

The Ministry of Trade has also implemented a policy of subsidizing items of fundamental need for highlands inhabitants to ease their difficulties in recent years. In the 1991-95 period, 102,284 tonnes of kerosene, 182,589 tonnes of iodized salt, and 2,360 tonnes of paper reached these areas. Goods worth VND 80 billion were granted to mountainous inhabitants in 1993, VND 151.5 billion in 1994, and VND 250 billion in 1995.

Together with the strengthening of state-run trade centers, highlands provinces have recently seen the development of private trade companies and markets. According to a survey conducted by the Ministry of Investment and Planning, the number of family-run businesses increased from 45,800 with combined capital of VND 147.4 billion in 1991 to 92,590 capitalized at VND 448.3 billion in 1995, accounting for .2 percent of such businesses across the country. To date, there are a total of 751 markets in highlands areas or a coverage of 12,287 people per market.

Australia

Australia Told: Stop Clamoring for Overnight Burmese Democracy

BK1706093096 Melbourne Radio Australia
in English 0630 GMT 17 Jun 96

[From the "International Report" program]

[FBIS Transcribed Text] Australia has been told to stop clamoring for overnight democracy in Burma and to resume aid if it is to have any leverage with Burma's ruling generals. Thailand says vocal pressure groups are forcing the Australian Government to act in a way that is not constructive in resolving tensions between the ruling junta and the opposition. The comments come amid signs the new Howard government is having a major rethink of Burma policy because of the lack of success of the current so-called benchmark policy. Thailand's top Foreign Ministry official told Evan Williams that Burma's opposition leader, Aung San Suu Kyi, was pushing too hard for democratic reform.

[begin recording] [Williams] Amid rising tension and unprecedented pressure, Southeast Asia is digging in its heels on Burma policy, insisting the West has got it wrong and will fail to have any impact on the ruling generals. While the ASEAN group of Southeast Asian nations agrees with the idea of the regime opening talks with Suu Kyi, it rejects Western moves to directly pressure the generals into that dialogue. Australia recently hinted to Thailand, one way to do that would be to impose conditions on Burma's entry to the ASEAN group as an observer next month, but the permanent secretary of Thailand's Foreign Ministry, M.R. Thep Thewakun, says Australia, other Western nations, and Suu Kyi herself should stop clamoring for immediate democracy.

[Thepwakun] The emphasis of Australian policy is wrong on democracy and human rights, and I think I would like to see something which is more on human terms, more on the reality of the situation, taking into account what exists and what you could do here to realize your goal, rather than clamoring for the maximum ...

[Williams, interrupting] Do you think we should use ...

[Thepwakun, interrupting] Which would not lead to the improvement of the situation in Burma.

[Williams] We should use aid as a tool then, like Japan at present?

[Thepwakun] I think you can talk to the Burmese about the way to develop health and hygiene, the way to train their nurses, the way to, you know, a sort of organized medical supplies to improve their health. Do you think

that they can use that to strengthen the military? Yes, the military would enjoy better health, but the peasants too would enjoy better health, and wouldn't that be more humane?

[Williams] In unusually frank terms, Khun Thep said Australian Government policy is at times being misguided by vocal pressure groups.

[Thepwakun] The pressure groups talk about human rights. Australia has been vocal, which sometimes has forced the government to act. In a way, this is not constructive in resolving the problems that exist in Burma.

[Williams] And he says the only way Australia and other Western nations will develop any leverage with Burma's generals is to give them something they need — to resume aid and trade.

[Thepwakun] Those rich countries like Australia, New Zealand, and Japan, they have a better leverage than ASEAN to talk to the Burmese Government because, as I see it, I think the offer of aid could be coupled with a certain demand on the part of the Western world, on the part of Japan, and on the part of the donor countries to try to improve democracy and the situation.

[Williams] Japan has tried and failed to force the talks through such engagement, blaming intransigence on both sides. Voicing a widely held ASEAN view, Thep says the generals should meet Suu Kyi to exchange views and break the impasse, but he says Suu Kyi is pushing too hard for immediate democracy when she should also compromise with the generals, in effect, by recognizing there will be military participation in politics. He says the Burmese people have been suppressed for so long that, even if Suu Kyi took over tomorrow, she could not control what would happen, and the West would not step in. And he says the West failed to appreciate that, while the regime will retain certain power for some time, it is gradually bringing in greater civilian participation in politics along Indonesian lines, which has Western acceptance. The comments revealed a deep divide between East and West over Burma, but as in Rangoon perhaps there is room for compromise, you should always talk to the locals says Thep. [end recording]

Australia: Defense Minister on Challenges of 'New Era'

BK1406123396 (Internet) Australian Defense WWW
in English 11 Jun 96

[Speech by Australian Defense Minister Ian McLachlan to the Royal Australian Air Force 75th Anniversary Air

Power Conference" in Canberra on 11 June: "Defence Challenges in New Era Security"]

[FBIS Transcribed Text] This is an important conference marking an important event — the Seventy-fifth anniversary of the Royal Australian Air Force [RAAF].

I am delighted to see such a large attendance at this forum and, in particular, to welcome those of you from the air forces of our friends and allies.

At a time when the RAAF has been looking back over its impressive and, by air-power standards, its long history, I commend Air Marshal Les Fisher for giving this conference such a forward-looking charter.

We can learn a lot from history, of course, but in an age of massive change we cannot afford to become reliant on out-dated ways of thinking.

The challenge to manage change

I believe that the Australian Defence Force [ADF] faces two stern tests over the next few years, and I would like to talk about them in turn.

The first challenge is to manage fundamental changes taking place in technology and warfare. I would like to raise with you the phenomena people are calling the 'Revolution in Military Affairs' (RMA).

The second challenge parallels and to some extent, drives the first: For want of a better term we need to think about a Revolution in Defence Management [RDM].

The way we manage equipment acquisition; the way we manage people's careers; the planning we make in every area from how we fight to how we feed our people — all these processes need to be revised in the light of the technological and management changes the world has seen in the last decade.

Defence cannot allow itself to become complacent in the face of the enormous changes sweeping through society and sweeping through the region in which we live.

Our task is to become the master of change rather than its servant.

Change, be it in technology or in the way we manage and organise ourselves, is something which the Australian Defence Force needs to drive.

Both of these developments need to be managed at a time of budget constraint and in a period, thankfully, of extended peace.

The Revolution in Military Affairs

Let me return to my first point which is about the Revolution in Military Affairs (the 'RMA') and the impli-

cation this has for the acquisition of new technology in the Australian Defence Force.

'What-ever you think about the theology' surrounding this revolution, there is no doubt that changes in technology — especially information technology — are having profound effects on the way countries will be able to wage war.

Over time, these effects will have as profound an impact on military organisations as the introduction of the internal combustion engine did in the first decade of this century.

To the layman, the Revolution in Military Affairs was epitomised by the amazing film footage we saw on CNN of precision air and cruise missile strikes against Iraqi forces during the Gulf War.

The increasing accuracy and lethality of weapons; the vast distances over which this force can be projected; the speed of information processing and computing power; the growing capacities to gather intelligence — these are basic elements of the Revolution in Military Affairs.

If you look at each of these developments individually, none of them could be said to be particularly revolutionary. But in combination, these technologies point to a fundamentally different style of warfare. A warfare where there is no real distinction between front lines and rear areas; where distance offers no protection; where if a target can be found it can be destroyed; where the most precious military commodity will be information and the most deadly military weapon will be speed.

My impression is that all of us, Defence professionals and politicians alike, are only just starting to realise the full implications of the Revolution in Military Affairs.

Some of the implications may be discomforting to people who are too closely attached to traditional ways of thinking about defence. But if we are to stay ahead of the game, we need to gear our thinking to the prospect that the Revolution in Military Affairs will fundamentally change the structure of the Defence Force.

We must be prepared to move down the Revolution in Military Affairs road if that is what is needed to increase our military capabilities.

An example — Unmanned Aerial Vehicles

For example — and I use this only as an example — what role will unmanned aerial vehicles (UAV) have in the air forces of tomorrow?

We have seen that unmanned aerial vehicles played a large role in supporting NATO operations in Bosnia.

And there is every reason to believe that UAVs have the potential to take on more and more roles which presently are performed by manned aircraft.

For that very reason I imagine that the air forces of the world look on unmanned aerial vehicles as a mixed blessing. But it is clear that they present a capability which has to be thought through.

At present their main roles are in surveillance and intelligence gathering but it may be that these platforms take on some of the roles of manned fighter aircraft.

Compared to modern fighter aircraft, UAVs are smaller, cost less, are easier to train people to use, and in the end are dispensable once their aim has been achieved.

These factors make UAVs good to have and dangerous to defend against. Commanders will be willing to send them to areas which would be considered too dangerous or too far away to use piloted aircraft.

It will take some time for military organisations to think through the roles and capabilities which unmanned aerial vehicles offer.

But UAVs are just one example of the types of capabilities being thrown up by the Revolution in Military Affairs.

Flexibility is needed to recognise the potential which these new capabilities bring, and to think about the most effective way of linking these systems to what we already have.

In some cases new capabilities — or more efficient and different ways of delivering combat power — will challenge existing orthodoxies about how things should be run. That is fine — so long as we are thinking about the implications.

This will be true for all three Services, not just the Air Force. But in every case we should approach the revolution in military affairs with a willingness to challenge accepted practices and an open mind about the need to rethink the types of skills and combat capabilities in the Defence Force.

The United States and the Revolution in Military Affairs

In a few days I will be going to the United States, and one of the aims of this trip will be to talk to my American colleagues about how they are dealing with the revolution in military affairs.

The United States remains an important source of military technology for Australia, but this co-operation is far from being a one-way street.

The Australian Defence Force has had a lot of experience in adapting aircraft to suit Australian conditions and in extending their effective life. As the United States learns to deal with a shrinking defence budget while the unit-cost of aircraft and other platforms increases, we will be able to offer the US a perspective on how we dealt with these problems.

Another point for discussion is that, as the United States adopts RMA technologies, this will have an impact on inter-operability with the Australian military.

For Australia this presents a complex problem. We have our own force priorities and our own special operating conditions. We also have a limited budget — unlikely to increase in the near future — meaning we must be careful to pick only those parts of RMA technology that address our needs.

However, keeping the closest operating partnership with the United States is an important goal, and one which strengthens our ability to work together.

I am looking forward to discussing these issues with Defence Secretary Perry and his colleagues in Washington and in Honolulu.

RMA and the Region

Of course our friends and allies in the Asia-Pacific region are also working out how to respond to these technical challenges.

As countries modernise their armed forces, we are seeking an expansion of military capabilities. There is no great mystery about this, it is simply a fact that modern military equipment is so much more powerful than earlier generations of combat systems.

There are potential costs and benefits from this process.

The potential cost is that, should a conflict ever emerge in the Asia-Pacific, for example on the Korean peninsula or in the Taiwan Straits, such a conflict could be enormously destructive of lives and property.

That only reinforces the need to promote security co-operation as a way of building trust and confidence between the countries in the region.

The potential benefit from the region's defence modernisation is that opportunities for co-operation will increase.

The Australian Defence Force is respected in the region for being a competent, technologically sophisticated military. Countries are interested in exercising and training with us precisely because of our professionalism.

Such co-operation underlines the fact that our security is intimately tied to the security of the region. Our defence interests are promoted by the co-operative things we do to strengthen Asia-Pacific peace and stability.

Security in the region means peace in Australia.

The direct defence of Australian territory will always remain a core business, but it would literally be self-defeating if we allowed this to be the only focus of our defence activities.

The Revolution in Defence Management

The second fundamental challenge faced by the Defence force is to bring about an internal revolution in defence management.

Many of you will be familiar with the writings of the American defence commentator Eliot Cohen. In his article in the April 1996 issue of *Foreign Affairs*, called 'A Revolution in Warfare', Cohen compares the structures of large companies, like General Motors, with defence forces.

In the 1950s, Cohen says, the administrative structures of large American companies and the US military looked quite similar. Both were shaped like a pyramid, with small units reporting up to progressively smaller numbers of larger organisations.

In the 1990s, organisations like Microsoft, Motorola, Asian car companies and hundreds of others have changed enormously. Layers of middle management have been reduced, distinctions between management and labour have been blurred, compensation systems and tenure arrangements have changed.

There have been no equivalent large scale changes in the way the Australian Defence Force has been structured.

Now Cohen knows, and I also know that one should not push this analogy too far, defence forces are not companies, they have different purposes and aims. They are not strictly comparable.

But like companies, Defence Forces need to continuously review their management and be on the alert against inefficiencies and the growth of activities that do not contribute to core functions.

Change of this order is not simply about making savings through trimming each budget area — although at times that strategy is necessary and I acknowledge that Defence is currently doing this to redirect more resources into combat forces.

More fundamental change is possible only by examining the culture of an organisation — looking at basic work

practices and asking if they are still relevant to present day needs.

This is not just a matter of having another restructure. Often organisations go about changing their structures as a way of avoiding — rather than addressing — the need for more fundamental changes of attitude and work culture.

For us the focus needs to be on squeezing the maximum amount of military capability out of our budget. Doing that means avoiding turf battles over who controls what, and instead taking a hard look at how we in the organisation operate.

Just as the key revolution in military affairs technologies are known to us, so too are the driving forces in the Revolution in Defence Management. They include promoting more comprehensive joint service approaches.

While the Services will remain separate organisations, it is impossible to imagine future conflict being anything other than a joint force activity. But jointery is not something which should apply only to combat forces. There are non-combat support and combat support areas which need to promote more joint activities as well.

A second area which will impact on defence management is commercialisation of support functions. I have acknowledged that useful gains have been made through the Commercial Support program (CSP) — not least the growth of a widespread acceptance in Defence that the program is necessary.

But there is a long way to go. Five years after the program was introduced it has achieved annual savings of a little over one percent of the Defence budget — around \$116 million [Australian dollars] a year at present. That is important but slow progress.

CSP needs to move faster and more comprehensively if it is going to free the savings we need to adopt the RMA technologies of tomorrow.

More generally we need to address ways to streamline management both in the Services and the civilian Defence bureaucracy

The RMA/RDM link

Let me sum up by saying that the Revolution in Military Affairs and the Defence Management Revolution are two sides of the same coin.

In both cases they are about maximising military capability.

The Howard Government chose for very sensible strategic reasons not to cut defence spending. But this does

not mean that Defence is immune from the need to review its internal structures and to come up with significant improvements. If anything it increases our obligation to take a hard look at how Defence does business and how we are going to pay for the process.

The need to re-think how we in Defence approach our fundamental task of promoting Australian security is a need made more urgent because of the speed of technological and strategic change.

There is an urgent requirement to look again at how we spend our resources, because it is by using these resources in more clever and innovative ways that we will be able to strengthen our combat capability.

Conclusion

I will conclude by saying that I have the greatest confidence that the Defence Force will meet the challenges of the Revolution in Military Affairs and the Defence Management Revolution with the same 'can do' spirit that has been a hallmark of our military since before federation and of the Air Force since 1921.

We have in the Services and the civilian Defence bureaucracy an organisation whose capacity to adapt to new challenges is among the best in the world. We have seen that on many occasions when our forces have been called to serve in military conflicts.

The speed with which we responded to the Gulf War and in recent peacekeeping operations shows a level of flexibility and resilience which has kept the forces at the cutting edge of technological change.

But we need to work hard to make sure we learn do these things even more effectively.

In this the seventy-fifth year of the Royal Australian Air Force, we can look back on a history of successfully managing technological change.

The RAAF has, with justification, prided itself in being a high-technology force and one respected by our allies and friends in the region.

That emphasis on maintaining high-technology will continue in the new security era.

It is also our responsibility to make service in the Defence Force rewarding, exciting, vital for those involved in the business of defending our national interests.

This is an exciting period of change in which being a member of the ADF or a defence civilian will bring challenges and benefits.

I congratulate the RAAF for its achievements over the last three-quarters of a century. I trust you will find

this conference a stimulating experience from which to design the next seventy-five years.

Kiribati

Kiribati: President Rejects Money for Nuclear Waste Dump Site

LD0906145196 Melbourne Radio Australia
in English 0700 GMT 9 Jun 96

[FBIS Transcribed Text] The president of Kiribati says he is confident offers of hundreds of millions of dollars to Pacific island nations in return for the use of an atoll in the central Pacific as a waste dump will be rejected. President Teburoro Tito says he remains adamantly opposed to using Palmyra Atoll, 1,500 km south of Hawaii, to store spent nuclear fuel and plutonium.

An American firm, KVR Investment, is negotiating to buy the atoll from the Fullard-Leo family of Hawaii. Lobbyists believed to represent the company have circulated draft legislation in Washington which would permit the storage of 200,000 tonnes of nuclear waste. The proposal includes a trust for Pacific island nations offering more than \$100 million dollars for economic development, environmental protection, and education but Teburoro says the Pacific is not interested in dollars but in a clean environment and healthy life-style.

Papua New Guinea

Papua New Guinea: Chan Comments on Bougainville Negotiations

BK1306161596 (Internet) Australian Broadcasting Corporation Online WWW in English
1310 GMT 13 Jun 96

[FBIS Transcribed Text] Prime Minister of Papua New Guinea [PNG], Sir Julius Chan, says it will take a miracle for the P-N-G parliament to agree to new concessions for Bougainville.

This follows media reports of transitional Premier of Bougainville, Theodore Miriung, criticising Sir Julius, for allegedly stalling the peace process by stopping negotiations with the Bougainville Revolutionary Army [BRA].

Sir Julius says this view undermines last week's signing of a memorandum of understanding by the two leaders, agreeing to define some sort of greater political autonomy for Bougainville.

He says he's told Mr Miriung that the unwillingness of the BRA to join in united negotiations with the National Government means a settlement won't be reached before the 1997 elections.

Papua New Guinea: Compensation Sought From Solomons for Bougainville

LD1706121096 Wellington Radio New Zealand International in English 0700 GMT 17 Jun 96

[FBIS Transcribed Text] PNG's [Papua New Guinea's] defense minister, Mathias Ijape, has accused Solomon Islands of having little regard for the prolonged suffering and loss of life on Bougainville. He has demanded the Solomons come out and declare its interest in the strife-torn island and compensate PNG for what he called its continued and prolonged sabotage of PNG's peace efforts. Mr Ijape says the Solomons' reluctance to discuss signing a basic border agreement indicates their lack of genuineness as a Melanesian partner.

Papua New Guinea Denies Arranging Israeli Arms Supply

BK1406145096 Melbourne Radio Australia in English 0630 GMT 14 Jun 96

[From the "Pacific Beat" program]

[FBIS Transcribed Text] The Papua New Guinea [PNG] Government has denied making any arrangements with Israel for the supply of powerful arms for the PNG Defense Forces in Bougainville. Earlier this week, the BRA [Bougainville Revolutionary Army] alleged that the PNG Defense Force is seeking military support from Israel. PNG's secretary for foreign affairs, Gabriel Dusava, describes the statement as absolutely offensive:

[Begin recording] [Dusava] Well, look, as a government official and someone who has been working close with the prime minister and the government and the BTG [Bougainville Transitional Government] [word indistinct] a stream of leaders on Bougainville who have been trying to work towards a good set of arrangements in response to the various demands and problems and the suffering of the people on Bougainville through peaceful means, I find that statement very offensive — and the statement that comes from someone who obviously is living in [word indistinct] far away from the problems and the challenges of Bougainville a priori and who is living in a world of dream and speculation and apprehension of his own with no real sense of what is happening on the ground and here in the country and what the government is trying to do to try and respond to a situation that is splitting the island almost and that has affected the general economic and social development of the country as a whole.

[Unidentified correspondent] During the recent Spearhead Group meeting in the [Tobrian], could you tell us what was reached between the major parties who attended, especially about the Bougainville situation?

[Dusava] All that transpired was there was a briefing given by our prime minister to his counterparts on what is current state of development in addition to government initiative along with the BTG. There was a realization of possible further assistance from all the MSG [Melanesian Spearhead Group] countries toward a peaceful resolution to the crisis, and the meeting urged for the two prime ministers of Solomon Islands and PNG to, in the meantime, solely restrict spillover effects of the crisis in respect of a fully enclosed border management, administration, and joint surveillance and so on. Basically, there was an urging for a quick and urgent contract between the two prime ministers and variously [word indistinct] to be the main centerpiece of the decision. There's a political impetus to review and the border situation in particular, but at the same time the MSG countries agreed to whatever assistance may be possible and may be requested by PNG of them to resolve the situation in peaceful means.

[Correspondent] At the beginning of the week, a report was raised about a launch of a second volume of reports of atrocities that supposedly caused by the PNG security forces and their assistant army in Bougainville against the people of Bougainville, which was launched here in Australia by Mrs. (Marilyn) Havini, the wife of Mr. Moses Havini, who said that since the fight began in Bougainville some 50,000 people have perished.

[Dusava] Well as I said, I think anyone that is living far away from Papua New Guineans and Bougainvillians who claims to be the authority on what is happening on Bougainville has to be treated with certain doubt and certain apprehension as to the facts. That is not quite unexpected of someone like Mrs. Havini to say things like that.

[Correspondent] She also urged the Australian Government to take into account what's happening in Bougainville and to put certain strict conditions on the aid package that Australia supplies to PNG.

[Dusava] I mean, the Australian Government takes its own decision about how it wants to run its aid programs; how it wants to distribute its funds. We have a standing commitment between the two countries. There is a treaty arrangement in place and whether anyone could influence the Australian Government to take that decision with respect to our treaty commitment and what is already programmed, that is really something that has to be left to a person that's making the representation. [end recording]

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